

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <b>County of Muskegon</b>	County <b>Muskegon</b>
Audit Date <b>9/30/05</b>	Opinion Date <b>12/2/05</b>	Date Accountant Report Submitted to State: <b>2/22/06</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).	✓		

Certified Public Accountant (Firm Name) <b>Pridnia LaPres, PLLC</b>			
Street Address <b>3145 Henry Street, Ste. 200</b>		City <b>Muskegon</b>	State <b>MI</b>
		ZIP <b>49441</b>	
Accountant Signature <i>Brent C. Yeager CPA for Pridnia LaPres, PLLC</i>		Date <b>2-21-06</b>	

# COUNTY OF MUSKEGON

## Muskegon, Michigan



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

PREPARED BY  
DEPT. OF FINANCE & MANAGEMENT SERVICES/ACCOUNTING

JOSEPH W. SIEDENSTRANG, CPA  
ACCOUNTING MANAGER

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

County of Muskegon  
Muskegon, Michigan

September 30, 2005

## **BOARD OF COMMISSIONERS BILL GILL, CHAIRMAN**

DON ALEY  
CHARLES L. BUZZELL  
JAMES J. DEREZINSKI  
MARVIN R. ENGLE  
LOUIS A. MCMURRAY

ROBERT SCOLNIK  
I. JOHN SNIDER II  
ROGER C. WADE  
NANCY A. WATERS  
STEPHEN R. WISNIEWSKI

**COUNTY ADMINISTRATOR  
JAMES BORUSHKO**

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December 16, 2005

To Honorable Bill Gill, Chairman, Members Board of Commissioners and Citizens of Muskegon County:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Muskegon for the fiscal year ended September 30, 2005.

This report consists of management's representations concerning the finances of the County of Muskegon. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management of the County of Muskegon has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of Muskegon's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of Muskegon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of Muskegon's financial statements have been audited by Pridnia LaPres, PLLC, a firm of licensed certified public accountants. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of Muskegon's financial statements for the fiscal year ended September 30, 2005, are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Muskegon's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The County of Muskegon, incorporated in 1859, is located in the western part of the state, which is considered to be a strong employment area in the state, and one of the top tourism areas in the state. The County of Muskegon currently occupies a land area of 527 square miles and serves a population of 170,200 (2000 U.S. Census). The County of Muskegon is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County of Muskegon has operated under the elected Board of Commissioners form of government since 1970. Policy-making and legislative authority are vested in a governing Board consisting of the chairman and ten other members. The governing Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring. The administrator is responsible for carrying out the policies and ordinances of the County's governing body, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The Board is elected on a partisan basis by district. Board members serve two-year terms.

The County provides a full range of municipal services. These services are either mandated by State statute or authorized by the County Board of Commissioners. These include legislative, judicial, public safety (police), health, mental health, welfare, culture, libraries, recreation, public improvements, wastewater treatment, solid waste disposal, transportation (airport and public transit), and general administrative services, including vital statistics and record keeping for births, deaths and property. Certain roadway services are provided by our component unit, the Muskegon County Road Commission.

The County adopts its annual budget in accordance with the State Uniform Budgeting and Accounting Act. The general, special revenue, and debt service funds are under formal budgetary control. All departments of the County of Muskegon are required to submit budget requests to the Administrator in February. The Administrator then presents a proposed budget to the Board for review. The Board holds public hearings in August and September and a final budget is approved prior to September 30, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Management can do transfers within funds at the departmental level without governing Board approval for other than the General Fund. Transfer of appropriations between funds, however, require special approval of the Board.

## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Muskegon operates.

**Local Economy.** Muskegon County is a growing area in Western Michigan. Part of the Grand Rapids - Muskegon - Holland Metropolitan Statistical Area (MSA), this growing region has a population over 1.2 million people. Muskegon is and continues to be a place of industrial development with major manufacturers in aerospace, automotive, defense, and related industries. The industrial base in Muskegon contributes to the economic growth of the area and helps new industries like energy technology. The quality of life near the fresh water lakes makes Muskegon and all of West Michigan the “place for fun in the sun”. This is why Industry Week consistently ranks West Michigan as a "World Class" community.

Employment growth in the West Michigan region was more than double the growth in the State of Michigan over the past 30 years. Total wage and salary employment in West Michigan mushroomed 28.6% during the past 10 years, from 453,725 employees in 1992 to 583,533 in 2002. This compares to a 15.7% increase for Michigan and a 20.8% increase for the United States. Total employment growth in Muskegon County grew 19.5% from 1990-2005. The unemployment rate fell below 6.0% to 5.6% this year for the first time in over 3 years.

While manufacturing employment is shrinking elsewhere, West Michigan experienced a 14.5% growth from 1992 to 2002 compared to a 0.8% increase for Michigan and a 7.6% decrease for the United States (Muskegon Area First). While Muskegon County lost 13% of its manufacturing employment from 1990-2005, it gained 4.5% in manufacturing employment from 2003-2005. The commercial, industrial and tourism components of the economy continue to remain vibrant. Important individual companies in the County, their employment and business are as follows:

Howmet Turbine Components Corp. (A subsidiary of Alcoa Inc) - This company has over 2,600 employees and is the County’s largest employer. Howmet manufactures investment grade castings for the aerospace industry. Howmet is the largest defense contractor in West Michigan.

Mercy General Health Partners - This company employs approximately 2,000 employees. They provide comprehensive health care services for the community. The Mercy General system also provides regional health care services which include heart and kidney specialty centers.

Hayes-Lemmerz - This company has approximately 550 employees. They manufacture automotive piston rings and are the world’s largest supplier. They maintain their division headquarters in Muskegon.

Verizon - This company, with regional offices locally, has approximately 450 employees and provides telecommunication services throughout the state of Michigan.

L-3 Communications - This company has approximately 450 employees and manufactures military engines and transmissions and is a large prime defense contractor in Muskegon County.

Eagle Alloy - This company is locally owned, has approximately 350 employees and manufactures steel castings.

Michigan Adventure - Muskegon County is home to the only amusement park in Michigan, featuring the state’s largest water park and the world’s



third largest wooden roller coaster. It attracts over 550,000 visitors annually and employs over 1,400 in the summer season.

In addition, other significant employers in Muskegon County include: Hackley Health Systems (1500), Holland USA (300, automobile supplier), Adac Plastics (500), Meijer Inc. (1100, retail sales), Michigan State Government (347, prisons), Johnson Technology (470, aerospace), and Muskegon Public Schools (1110, education).

Retail sales within the County have grown by 62% during the last ten years as well. The retail sales as follows:

1996	\$1,358,224,000	2001	\$1,803,714,000
1997	1,419,899,000	2002	1,791,460,000
1998	1,522,000,000	2003	2,076,771,000
1999	1,710,662,000	2004	2,170,576,000
2000	1,782,984,000	2005	N/A

#### **Long-term financial planning.**

The County of Muskegon participates in a multiple employer defined benefit pension plan for its employees. Each year an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County of Muskegon must make to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, the County of Muskegon fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the County of Muskegon's conservative funding policy, the County of Muskegon has succeeded as of December 31, 2004, in funding 88 percent of the present value of the projected benefits earned by employees.

The County of Muskegon also provides post-retirement health and dental care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 354 retired employees receiving these benefits, which are financed on a pay as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits. Additional information on the County of Muskegon's pension arrangement and post-employment benefits can be found in Notes 8 and 12 in the notes to the financial statements.

**Relevant financial policies.** Per Michigan Statutes Annotated (M.S.A.).843 (1) the Board of Commissioners has authorized the County Treasurer to invest surplus funds belonging to, or under the control of the county, in certificates of deposits, commercial paper, and direct obligations of the United States. The investment limits are 1) no more than 50% in commercial paper, and 2) any investment in commercial paper must have a rating within the three highest classifications of two standard rating agencies.

It is the county's policy to safeguard all investments to the maximum practicable and allowed by law. To this end, third-party safekeeping and

collateralization is used where available. If these are not available, close monitoring of the investment's underlying security (usually the issuer) is made and continual evaluation is done as to the issuer's stability in the marketplace.

Idle cash of the County of Muskegon was invested in certificates of deposit, commercial paper, and money market funds in accordance with state law and local policy. The investment program yielded \$2,106,235 in 2005, and \$1,344,778 in 2004 for an average yield of 2.68 percent and 1.76 percent, respectively.

Investment of idle cash is one of the few means which the county has to increase revenues without increasing taxes or fees. Strong cash management efforts have made the county successful with its cash returns.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Major initiatives.**

In 2005, the County successfully recovered from a projected deficit in the General Fund of \$1,700,000. This was accomplished through expenditure reductions across many General Fund departments and funds supported by the General Fund. Because of the excellent cooperation of the departments, the goal was exceeded and the unrestricted fund balance increased by \$363,000.

Starting in 2002, the County embarked on a collaborative agreement between multiple governmental entities to develop and build a County-wide fiber communications network that would service Central Police and Fire Dispatch, all school districts and the County government operations. In 2005, the building of the fiber backbone is partially complete and is expected to be completed in 2006. Upon completion, the network is expected to service at least 79 individual locations with video, data, internet and telephone communications.

Our wastewater system has started the process of rebuilding lift stations and providing backup systems in case of equipment failure. This 16 million dollar phase I replacement and upgrade started in 2005 and will be completed in 2007. In phase II (due to start in 2008), there will be a complete replacement of the largest lift station ( C ) for 10 million dollars. Both these projects will be funded by State revolving fund loans at extremely low rates of interest. The current loan interest rate is 1.625%

## **Awards and Acknowledgments**

In 2005, independent auditors were engaged for the thirtieth consecutive fiscal year to perform an annual audit of the county's books of account, financial records, and transactions. The opinion of Pridnia, LaPres PLLC, independent certified public accountants, is included in this report.

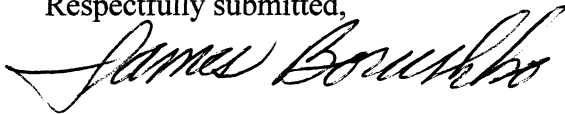
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Muskegon for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2004. This was the twenty seventh consecutive year that the county has received this prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized (comprehensive annual/component unit) financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Management Services Department and particularly our accounting staff. I would like to express my gratitude to all members of the department. I would also like to thank you and the members of the Muskegon County Board of Commissioners for your interest and support in planning and conducting the financial operations of the County of Muskegon in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Borushko". The signature is fluid and cursive, with a large, stylized initial "J".

James Borushko  
Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Muskegon,  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

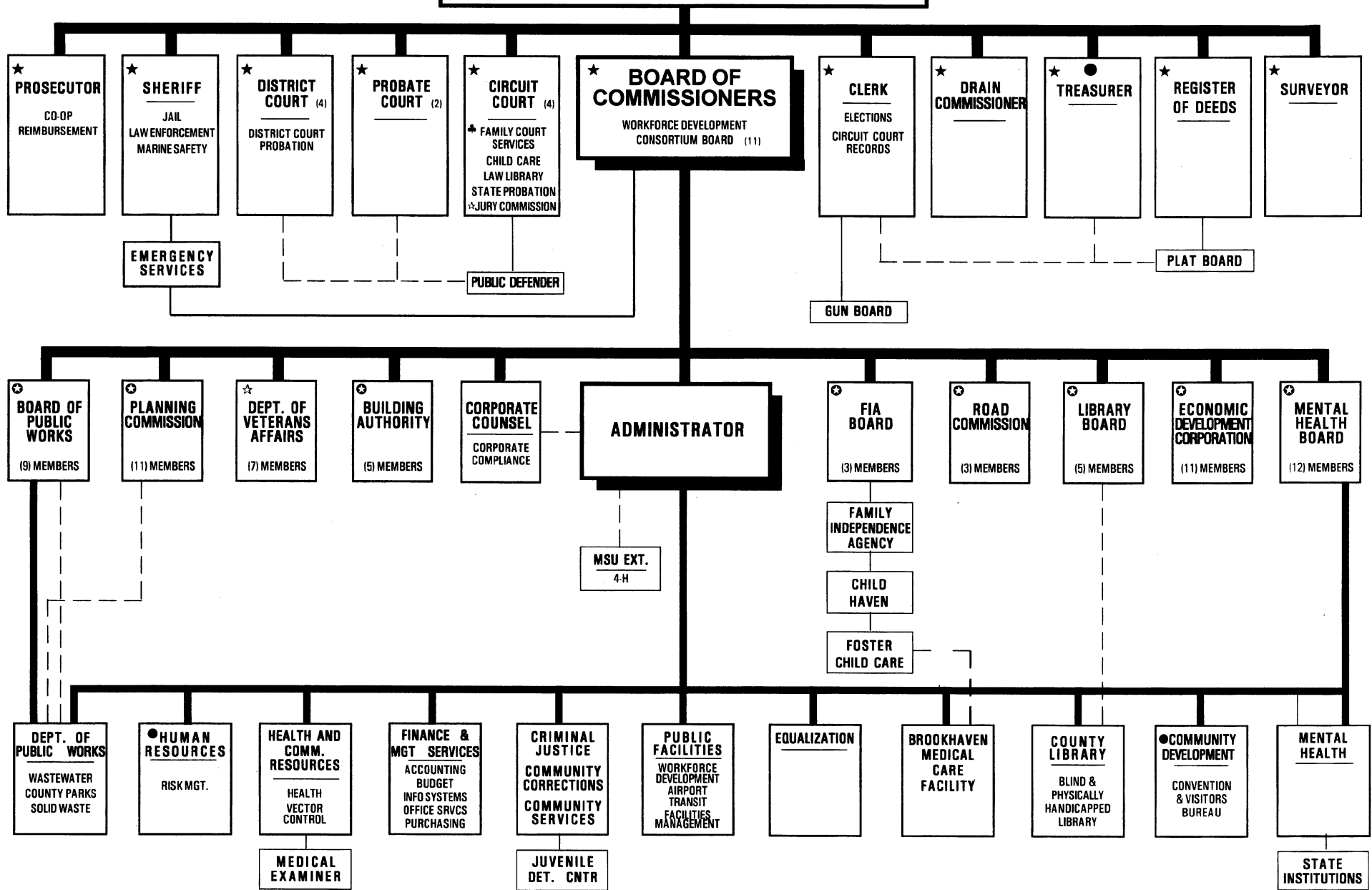


President

Executive Director

# 2005 ORGANIZATIONAL CHART

## ELECTORATE MUSKEGON COUNTY



LEGEND: ★ ELECTED POSITION

☆ STATE APPOINTMENT OR CONCURRENCE

⊙ AUTONOMOUS OR SEMI-AUTONOMOUS FUNCTION (MEMBERS APPOINTED BY BOARD OF COMMISSIONERS)

● INTRAGOVERNMENTAL

✦ FAMILY COURT SERVICES CONSISTS OF: FRIEND OF THE COURT, FOC CO-OP REIMBURSEMENT, FAMILY COUNSELING SERVICE, JUVENILE COURT AND INTENSIVE PROBATION

--- RELATED FUNCTION (OPERATIONS)

**County of Muskegon**  
List of Elected Officials  
September 30, 2005

**COMMISSIONERS**

STEPHEN R. WISNIEWSKI, DISTRICT 1  
CHARLES L. BUZZELL, DISTRICT 2  
I. JOHN SNIDER II, DISTRICT 3  
JAMES J. DEREZINSKI, DISTRICT 4  
MARVIN R. ENGLE, DISTRICT 5  
NANCY A. WATERS, DISTRICT 6

DON ALEY , DISTRICT 7  
BILL GILL, DISTRICT 8  
LOUIS A. MCMURRAY, DISTRICT 9  
ROGER C. WADE, DISTRICT 10  
ROBERT SCOLNIK, DISTRICT 11

**COUNTY OFFICIALS**

KAREN BUIE, COUNTY CLERK  
TONY MOULATSIOTIS, COUNTY TREAS.  
MARK F. FAIRCHILD, REG. OF DEEDS  
GEORGE M. JURKAS, COUNTY SHERIFF

TONY D. TAGUE, PROSECUTOR  
MARTIN L. HULKA, DRAIN COMMISSIONER  
STEPHEN VALLIER, COUNTY SURVEYOR

**DISTRICT COURT JUDGES**

MICHAEL J. NOLAN  
ANDREW WIERENGO, III

HAROLD F. CLOSZ  
FREDRIC A. GRIMM, JR.

**CIRCUIT COURT JUDGES**

JAMES M. GRAVES, JR.  
WILLIAM C. MARIETTI

TIMOTHY G. HICKS  
JOHN C. RUCK

**FAMILY COURT JUDGES**

NEIL G. MULLALLY-PART TIME  
JOHN C. RUCK

WILLIAM C. MARIETTI-PART TIME  
GREGORY PITTMAN

**PROBATE COURT JUDGES**

NEIL G. MULLALLY

GREGORY PITTMAN



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MUSKEGON, MI 49441-4052  
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## Independent Auditors' Report

To the Board of Commissioners of the  
County of Muskegon, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of and for the year ended September 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Muskegon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Muskegon County Road Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muskegon County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Muskegon, Michigan, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2005, on our consideration of the County of Muskegon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and schedule of funding progress on pages 15 through 29 and pages 90 through 95 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon's basic financial statements. The introductory section, combining funds statements and schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining funds statements and schedules have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinions on them.

*Prudnia LaPres, PLLC*

Muskegon, Michigan  
December 2, 2005



## Management's Discussion and Analysis

Management of the County of Muskegon offers readers of these financial statements a narrative overview of the financial condition and activities for the year ended September 30, 2005. Please read this narrative in conjunction with the review of our financial statements, financial statement notes and the transmittal letter.

### Financial Statement Presentation

The financial statements presented herein include all the activities of the County of Muskegon and its component units using the format as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34.

The County of Muskegon's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the financial statements themselves.

### THE COUNTY AS A WHOLE

**Government-wide financial statements.** The "government-wide financial statements" are designed to provide readers with a broad overview of the County of Muskegon's finances, in a manner similar to a private-sector business. These statements are presented on the full accrual basis of accounting which when viewed from the economic resources measurement focus can be used to determine whether the County has improving or deteriorating finances.

The "statement of net assets" presents information on all of the County of Muskegon's assets and liabilities, with the difference between the two being reported as "net assets". Over the years, increases or decreases in net assets may serve as one indicator of the change in the financial condition of the County.

The "statement of activities" presents how the net assets changed during the period just ended. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Example of timing differences are uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County of Muskegon that are primarily supported by tax and intergovernmental pass through revenues (*governmental activities*) from other functions that were created and intended to recover most or all of their costs through user fees and charges for services (*business-type activities*). The governmental activities include legislative, judicial, general county

government, public safety, health, welfare, culture, recreation, and debt service. The business type activities include solid waste management, wastewater and an international airport.

The government-wide financial statements include not only the County of Muskegon (*the primary government*) but also a legally separate Road Commission. The board of this organization is appointed by the County and there is a potential for liability to the County. The financial information of this component unit is reported separately from the financial information of the primary government itself.

### **Reporting on the County's major funds**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control and reporting of resources that are segregated for a specific purpose or activity with defined objectives. The County of Muskegon is required by State law to use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Muskegon are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the County's short term financing needs.

Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, informed readers may better be able to understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The County of Muskegon maintains over one hundred fifty individual funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Community Mental Health, Managed Care, Brookhaven, and Water and Sewer Debt. All of these funds are considered major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of combining statements elsewhere in the report.

The County of Muskegon adopts an annual appropriated budget for its general, special revenue, and debt service funds. Budgetary comparisons (original and final) have been provided for the major funds to demonstrate compliance with the budgets as required supplementary information. A comparison of budget to actual expenditures is provided for all non major governmental funds in the combining financial statements - governmental activities by fund type.

**Proprietary funds.** The County of Muskegon maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as “business-type activities” in the government-wide financial statements. The County uses enterprise funds to account for fairgrounds, delinquent taxes, solid waste, fly ash disposal, airport, transportation, water and sewer operations. Internal service funds are used to accumulate and allocate costs internally among the County’s various functions. The County uses internal service funds to account for central printing, building maintenance, building and equipment purchases, insurance and risk management. Because these services predominantly benefit governmental rather than business-type activities, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste, Airport and Wastewater Management, all of which are considered major funds of the County. Conversely, both internal service funds and other enterprise funds are combined into single column presentations in the proprietary fund financial statements. Individual fund data for the non major proprietary funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County’s own operations. The accounting used for fiduciary funds is like that used for proprietary funds (full accrual).

**Notes to the basic financial statements.** The notes provide additional information that is important to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also provides certain required supplementary information concerning the County’s budgetary information as it relates to the actual expended and certain pension information with the corresponding trend data.

The combining statements referred to earlier in connection with non major governmental funds and internal service funds are presented immediately following the required supplementary information.

### **Government-wide Financial Analysis**

As noted previously, net assets may serve as a useful indicator of the County’s overall financial health. The County of Muskegon’s assets exceed liabilities by \$173,606,512 at the close of Fiscal year 2005.

The largest portion of net assets in the County (74%) are its fixed assets (land, buildings, machinery and equipment), less related debt outstanding used to acquire these assets. The County uses these fixed assets to provide services to Muskegon County residents and therefore, are not available for disposal to fund future projects or operations. Although the County’s investment in fixed assets is reported net of capital debt, it is noted that resources needed to retire this debt must come from future sources of revenue, as the assets themselves can’t be used to liquidate these obligations.

### County of Muskegon Net Assets

Major Categories	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Cash and Investments	\$38,409,856	\$32,216,739	\$33,556,401	\$35,745,647	\$71,966,257	\$67,962,386
Receivables	22,540,009	23,508,360	12,607,679	12,464,082	35,147,688	35,972,442
Other Current Assets	152,714	132,043	1,231,174	1,175,634	1,383,888	1,307,677
Long Term Assets	3,386,899	4,269,840	-	-	3,386,899	4,269,840
Fixed Assets	63,499,386	63,233,211	113,153,341	115,724,881	176,652,727	178,958,092
<b>Total Assets</b>	<b>127,988,864</b>	<b>123,360,193</b>	<b>160,548,595</b>	<b>165,110,244</b>	<b>288,537,459</b>	<b>288,470,437</b>
Other Liabilities	22,705,306	22,197,108	12,259,529	14,708,824	34,964,835	36,905,932
Long Term Liabilities	44,031,168	40,578,233	35,934,944	38,660,891	79,966,112	79,239,124
<b>Total Liabilities</b>	<b>66,736,474</b>	<b>62,775,341</b>	<b>48,194,473</b>	<b>53,369,715</b>	<b>114,930,947</b>	<b>116,145,056</b>
Net Assets:						
Investment in fixed assets						
net of related debt	43,784,386	42,253,211	85,191,658	84,950,522	128,976,044	127,203,733
Restricted	21,603,690	16,159,880	3,464,196	1,917,089	25,067,886	18,076,969
Unrestricted	(4,135,686)	2,171,761	23,698,268	24,872,918	19,562,582	27,044,679
<b>Total Net Assets</b>	<b><u>\$61,252,390</u></b>	<b><u>\$60,584,852</u></b>	<b><u>\$112,354,122</u></b>	<b><u>\$111,740,529</u></b>	<b><u>\$173,606,512</u></b>	<b><u>\$172,325,381</u></b>

A portion (15%) of the County's net assets have certain restrictions placed on their use. The remaining balance of unrestricted net assets (\$19,562,582) can be used to meet the County's ongoing obligations to its residents and creditors.

A major portion (37%) of the Governmental total assets in the County are in liquid and short term receivables that give us a great ability to meet current obligations of short and long term nature. This ability translates into the freedom to meet changing conditions in the market place as well as changes in the economy of the surrounding area. The strength of our unrestricted net assets shows that we are aware of the ever changing face of government's operations and are prepared to respond to those needs.

**Governmental Activities:**

Governmental activities increased the County's net assets by \$667,538. This increase was primarily due to increases in grants and contributions from private sources. Other elements of the increase are as follows:

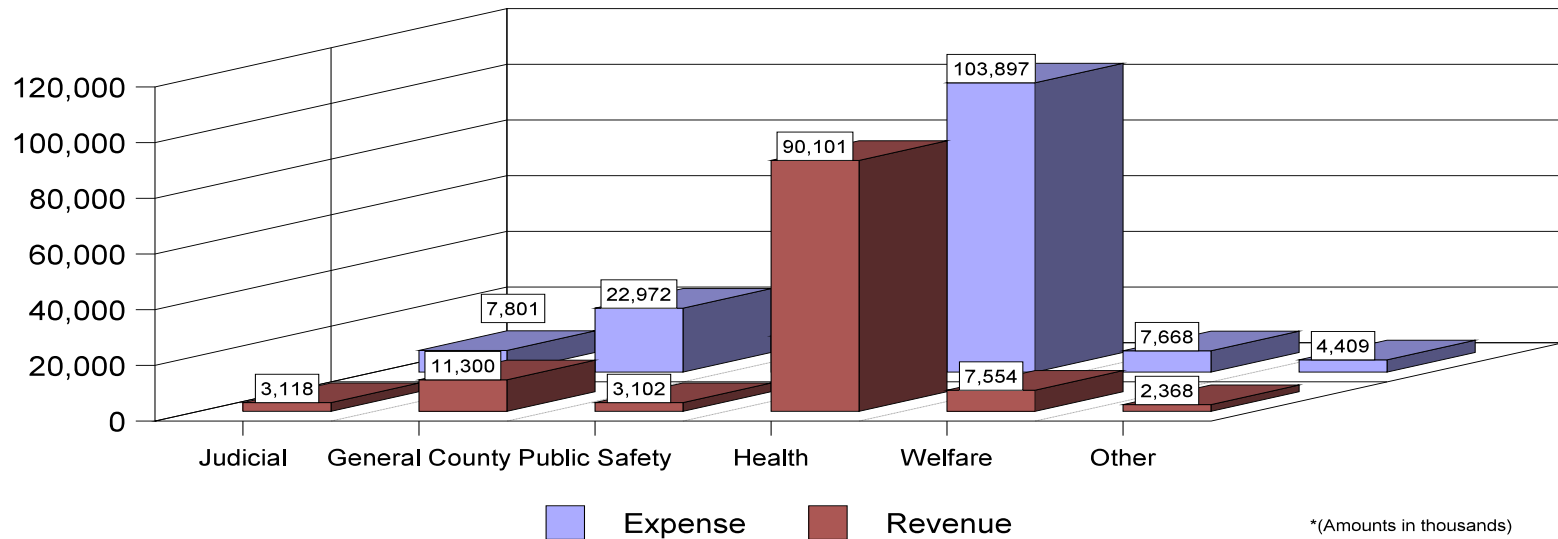
**Muskegon County Changes in Net Assets**

	Governmental Activities 2005	Governmental Activities 2004	Business-type Activities 2005	Business-type Activities 2004	Total 2005	Total 2004
Revenues						
Program Revenues						
Operating Grants and Contributions	\$30,783,074	\$33,629,078	\$2,828,493	\$4,904,312	\$33,611,567	\$38,533,390
Charges for services/Sales	86,759,376	90,999,300	18,801,669	17,197,250	105,561,045	108,196,550
Capital Grants and contribution	-	-	2,380,059	3,201,369	2,380,059	3,201,369
General Revenues						
Taxes	31,293,548	24,226,727	-	-	31,293,548	24,226,727
Investment Earnings	1,148,997	758,653	957,238	586,125	2,106,235	1,344,778
Rentals	809,683	830,402	-	-	809,683	830,402
Contributions from private sources	1,756,826	1,367,462	-	-	1,756,826	1,367,462
Other	6,604,124	5,656,146	349,350	173,177	6,953,474	5,829,323
Total Revenues	\$159,155,628	\$157,467,768	\$25,316,809	\$26,062,233	\$184,472,437	\$183,530,001

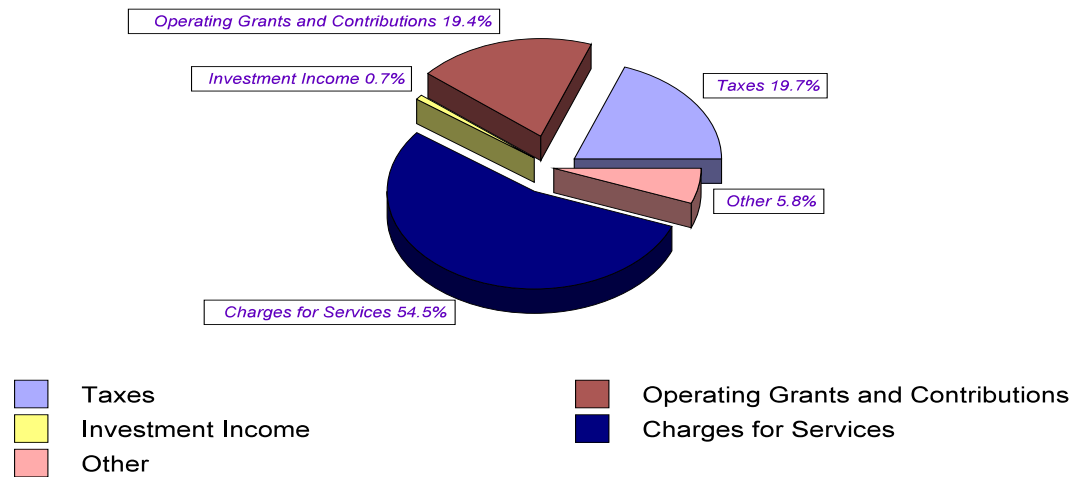
**Muskegon County Changes in Net Assets (continued)**

	Governmental Activities 2005	Governmental Activities 2004	Business-type Activities 2005	Business-type Activities 2004	Total 2005	Total 2004
Expenses						
Legislative	\$408,142	\$384,134	\$ -	\$ -	\$408,142	\$384,134
Judicial	7,801,412	7,704,381	-	-	7,801,412	7,704,381
General County Government	22,972,284	20,814,190	-	-	22,972,284	20,814,190
Public Safety	12,922,723	12,618,622	-	-	12,922,723	12,618,622
Health	103,896,755	103,018,096	-	-	103,896,755	103,018,096
Welfare	7,668,031	8,506,737	-	-	7,668,031	8,506,737
Culture	1,447,106	1,889,198	-	-	1,447,106	1,889,198
Recreation	774,439	771,578	-	-	774,439	771,578
Other	616,973	234,397	-	-	616,973	234,397
Debt Service Interest	1,073,850	1,038,521	-	-	1,073,850	1,038,521
Debt Service Other	88,370	75,091	-	-	88,370	75,091
Solid Waste	-	-	915,681	3,576,890	915,681	3,576,890
Airport	-	-	2,763,880	2,130,761	2,763,880	2,130,761
Wastewater	-	-	15,155,339	14,604,673	15,155,339	14,604,673
Other proprietary funds	-	-	4,686,321	4,305,003	4,686,321	4,305,003
Total Expenses	159,670,085	157,054,945	23,521,221	24,617,327	183,191,306	181,672,272
Increase (decrease) in net assets before transfers	(514,457)	412,823	1,795,588	1,444,906	1,281,131	1,857,729
Transfers	1,181,995	364,698	(1,181,995)	(364,698)	0	0
Increase (decrease) in net assets	667,538	777,521	613,593	1,080,208	1,281,131	1,857,729
Net Assets - October 1 (restated)	60,584,852	59,807,331	111,740,529	110,660,321	172,325,381	170,467,652
Net Assets - September 30	\$61,252,390	\$60,584,852	\$112,354,122	\$111,740,529	\$173,606,512	\$172,325,381

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



- Property taxes increased by \$7,067,000 (29 percent) during the year. This increase reflects the State accelerating collection of personal property tax from December to July.
- 
- Operating Grants decreased 8% resulting from the State reducing their participation in local programs.
- General Government expenditures jumped by (10%) due to increasing costs of fringe benefits.
- Investment income increased by 51% due to increases in the market rates for CD's and other instruments.

**Business-type activities.** Business-type activities increased the County of Muskegon's net assets by \$613,593, accounting for 48% of the total increase in the government's net assets. A substantial decrease in the cost of covering our landfills accounted for the major increase in net assets.

### **Financial analysis of the Government's Funds**

As noted earlier, the County of Muskegon uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County of Muskegon's governmental funds is to provide information on near-term inflows, outflows, and balances in spendable resources. Such information is useful in assessing the County of Muskegon's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

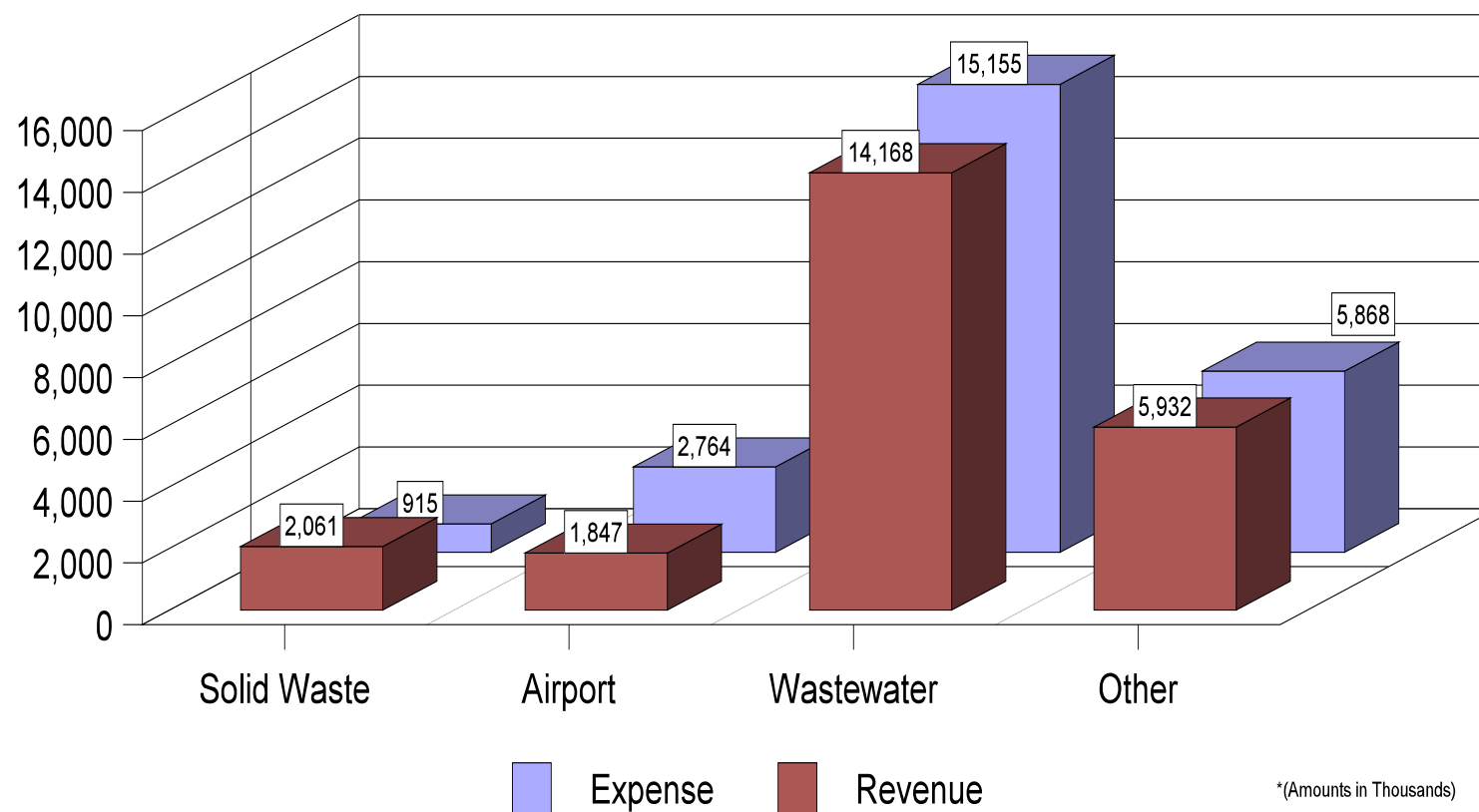
For the current fiscal year, the County of Muskegon's governmental funds reported combined ending fund balances of \$24,738,855, a increase of \$7,002,727 in comparison with the previous year. Approximately 37% of the fund balance (\$9,226,547) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$5,404,138), 2) to pay debt service (\$1,760,627), 3) to cover a potential bad debt from a prior capital projects (\$1,300,000), 4) to hold for future grant expenditures (\$6,252,967), 5) for perpetual care (\$53,244), for inventory and prepaid items (\$152,714), or for long term advances to other funds (\$588,618).

The general fund is the chief operating fund of the County of Muskegon. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,176,547 while total fund balance was \$7,849,357. As one measure of the general fund's liquidity, it is useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 18% of total general fund expenditures, while total fund balance represents 20% of that same amount. A comparison to prior year percentages show that unreserved and total fund balances both increased by 1 percent.

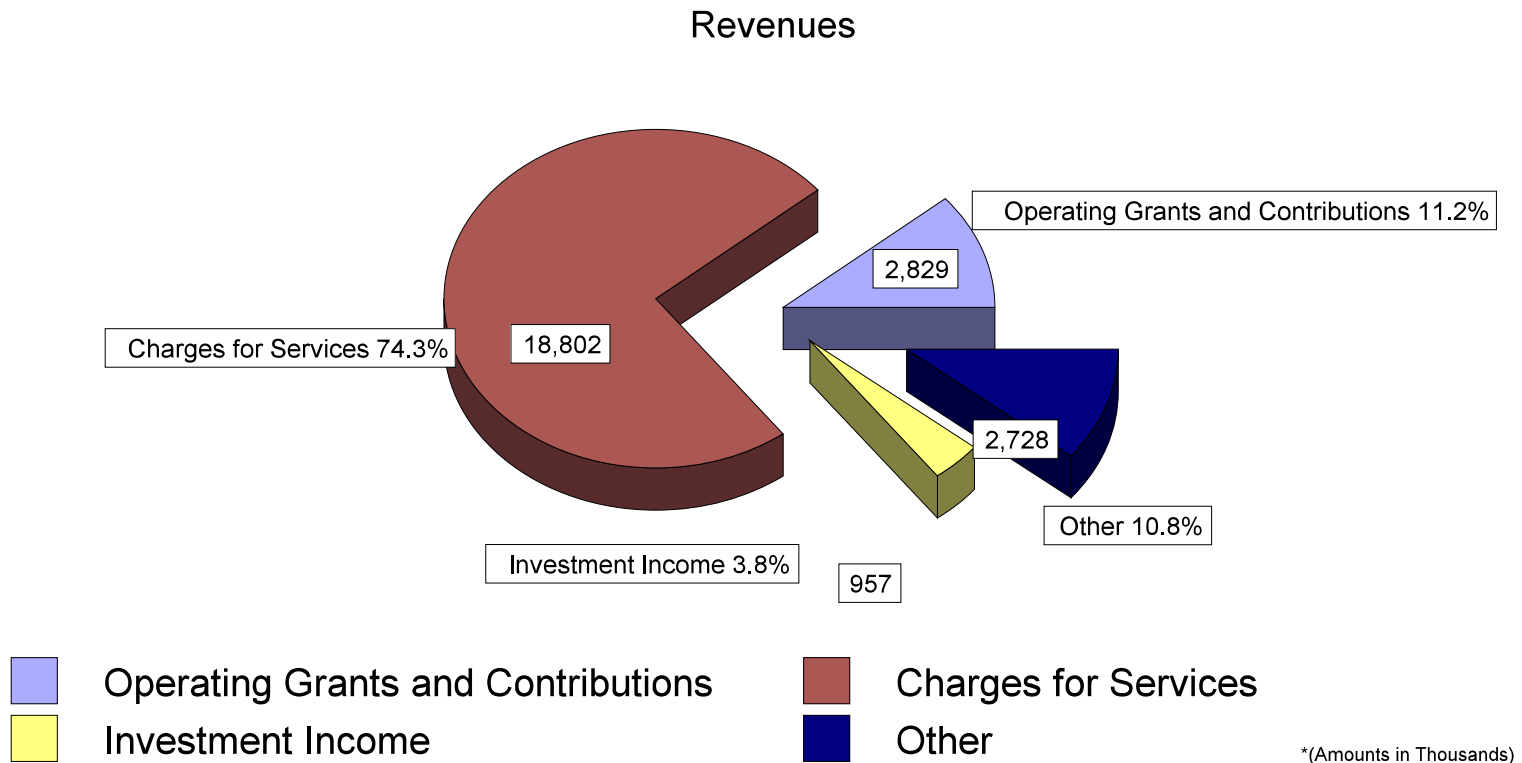
Major revenues in the taxes area increased by \$7,067,000 and program revenues dropped \$7,086,000. Interest earnings went up \$390,000 with expenses dropping \$2,615,000. The selling of \$5,000,000 worth of notes accounted for the majority of the \$7,002,727 increase in fund balances.



## Expenses and Program Revenues - Business-Type Activities



## Revenues by source - Business-Type activities



The debt service funds have a total fund balance of \$1,760,627, all of which is reserved for debt service payments. The increase in the debt service funds balance of \$219,232 reflects the governmental decision to only put amounts into the debt funds sufficient for debt payments currently due and payable within one year. There were no bond issuances during the year and principal balances for the current year decreased by \$2,285,000.

**Proprietary funds.** The County of Muskegon proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the County Wastewater system were \$9,156,289, with the Airport and the Solid Waste site at

\$1,704,907 and \$0, respectively. The total growth (reduction) in net assets for these three funds was (\$418,092), \$289,174, and \$1,230,143, respectively. Other factors concerning these funds have already been addressed in the discussion of the County of Muskegon's business-type activities.

### **General Fund budgetary highlights**

The decrease between the original revenue budget and the final amended budget were minute (less than 4%) and is briefly summarized as follows:

- Decreases in operating grants and contributions decreased due to the State changing the revenue sharing formula for current and future years.
- Decreases in taxes was due to an failed Headley override amendment.

Budgeted expenditures decreased by approximately \$591,000. The largest decrease was in general county government for salary and fringe costs (\$373,000) . Total actual expenses came in under budget and allowed revenues to flow through as an increase in the fund balance.

### **Capital Asset Administration**

**Capital Assets.** The County of Muskegon's investment in capital assets for its governmental and business-type activities as of September 30, 2005 amounts to \$177 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, lagoons, wastewater collection/distribution system, and capitalized interest and engineering. The total decrease in the County of Muskegon's capital assets for the current fiscal year was 2%.

Major capital asset additions during the current fiscal year included the following:

- County Voice over IP project (\$635,000)
- County Fiber Optic project (\$288,000)
- Continued Runway expansion (\$568,000)
- Wastewater equipment replacement and improvements to existing pipelines (\$954,000)

**County of Muskegon's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2005	2004	2005	2004	2005	2004
Land	\$3,934,038	\$4,078,102	\$15,830,272	\$15,011,466	\$19,764,310	\$19,089,568
Land Improvements	3,307,333	3,483,432	10,184,234	10,696,695	13,491,567	14,180,127
Lagoons	-	-	6,457,494	6,553,815	6,457,494	6,553,815
Buildings & Improvements	49,221,692	50,396,128	15,144,241	15,546,645	64,365,933	65,942,773
Machinery & Equipment	4,077,337	3,876,814	6,268,045	6,515,688	10,345,382	10,392,502
Wastewater collection and distribution system	-	-	53,709,623	56,828,113	53,709,623	56,828,113
Capitalized interest & engineering	-	-	3,446,128	3,714,745	3,446,128	3,714,745
Construction in progress	2,958,986	1,398,735	2,113,304	857,714	5,072,290	2,256,449
Total	<u>\$63,499,386</u>	<u>\$63,233,211</u>	<u>\$113,153,341</u>	<u>\$115,724,881</u>	<u>\$176,652,727</u>	<u>\$178,958,092</u>

Additional information on the County of Muskegon's capital assets can be found in Note 6 of the "Notes to the Government Wide Financial Statements" of this report.

**Long-term debt.** At the end of the current fiscal year, the County of Muskegon had total bonded debt outstanding of \$63,470,000. Of this amount, \$19,715,000 comprises debt backed by the full faith and credit of the County; \$25,200,000 in revenue bonds backed by the County and participating municipalities; \$8,055,000 special assessment debt partially guaranteed by local municipalities; and finally, \$10,500,000 in delinquent tax notes backed by the property owners and secured by property tax liens.

The County's credit ratings was upgraded in 1998, 2000 and 2001. The current rating of A+ by Standard and Poors and a Moody's rating of A2 for general obligation debt is indicative of a strong economy for the County and results in lower bond interest costs.

**County of Muskegon's Outstanding Debt**  
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General Obligation Bonds	\$19,715,000	\$20,980,000	\$2,635,000	\$3,030,000	\$22,350,000	\$24,010,000
Special Assessment Debt with Governmental Commitment	8,055,000	9,075,000			8,055,000	9,075,000
Revenue Bond			22,565,000	24,805,000	22,565,000	24,805,000
Delinquent Tax Notes			10,500,000	10,500,000	10,500,000	10,500,000
Total	<u>\$27,770,000</u>	<u>\$30,055,000</u>	<u>\$35,700,000</u>	<u>\$38,335,000</u>	<u>\$63,470,000</u>	<u>\$68,390,000</u>

The County of Muskegon's total debt decreased by \$4,920,000 during the current fiscal year. The decrease is attributed to normal debt payoffs of \$13,920,000. and the sale of the current year notes in the amount of \$9,000,000. The County issues notes each year to fund property taxes that are unpaid by the due date of March 1<sup>st</sup>.

The change in the ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators of the County's relative debt position. The 2004 ratio was .34% with the bonded debt per capita at \$74.85. In 2005, the ratio is .29% with a bonded debt per capita of \$68.65. The reduction in both these indicators show a trend that has been occurring since 1996 showing that the County is growing satisfactorily without an increase in corresponding debt load.

Additional information on the County of Muskegon's long-term debt can be found in Note 7 of the notes to the financial statements.

## Economic factors and General Outlook

For the period from October, 2002 through September, 2005, Muskegon County unemployment rates as compared to national rates were as follows:

	<u>Employment Data</u>							
	<u>2005</u> <u>County</u>	<u>2005</u> <u>USA</u>	<u>2004</u> <u>County</u>	<u>2004</u> <u>USA</u>	<u>2003</u> <u>County</u>	<u>2003</u> <u>USA</u>	<u>2002</u> <u>County</u>	<u>2002</u> <u>USA</u>
October	6.6	5.5	9.7	6.0	8.9	5.8	6.6	5.4
November	7.3	5.4	9.7	5.9	9.3	5.9	7.9	5.6
December	7.5	5.4	9.2	5.7	9.0	6.0	7.9	5.8
January	8.1	5.2	9.5	5.6	10.6	5.7	9.3	5.6
February	8.0	5.4	9.1	5.6	10.3	5.8	9.2	5.6
March	7.5	5.2	9.4	5.7	10.3	5.8	9.3	5.7
April	6.7	5.2	7.5	5.6	8.8	6.0	8.4	5.9
May	7.4	5.1	8.1	5.6	9.6	6.1	9.0	5.8
June	6.9	5.0	8.5	5.6	11.2	6.4	10.0	5.8
July	8.0	4.9	9.2	5.5	12.0	6.2	10.2	5.8
August	6.2	5.1	7.9	5.5	10.4	6.1	8.9	5.8
September	<u>6.1</u>	<u>5.0</u>	<u>7.8</u>	<u>5.4</u>	<u>9.8</u>	<u>6.1</u>	<u>8.8</u>	<u>5.7</u>
Average	<u>7.2</u>	<u>5.2</u>	<u>8.8</u>	<u>5.6</u>	<u>10.0</u>	<u>6.0</u>	<u>8.8</u>	<u>5.7</u>

Muskegon County's unemployment rate has decreased compared to 2002. This is attributed to strengthening of the retail base in the West Michigan area. Muskegon County's growth and improving image as a good place to live, work, and do business, continues to help stabilize and improve the unemployment rate.

## General

The economic climate in Muskegon and West Michigan has stabilized. Unemployment has dropped below the 2002 level. Several projects and achievements have contributed to the growth and quality of living in Muskegon County. Some of the more significant are:

- Approved building new facilities for the United States Coast Guard for search and rescue operations on Lake Michigan
- Authorized the building of a county-wide wireless internet system with Federal and State funds
- Created a county-wide district library
- Developed a regional water authority initially comprised of four townships and the County
- Approved the sale of methane gas to a local private company from our solid waste facility with a resultant savings of over \$1 million dollars in the next 30 years.
- Installed a new County fiber and communication system for use by all departments within the County
- Established written financial policies for department usage

## Requests for Information

This financial report is designed to provide a general overview of the County of Muskegon's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Muskegon, Office of the Administrator, 990 Terrace St., Muskegon Mi. 49442, telephone (231) 724-6520, or e-mail at [borushkoja@co.muskegon.mi.us](mailto:borushkoja@co.muskegon.mi.us).

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*County of Muskegon*

*Statement of Net Assets*  
*September 30, 2005*

ASSETS	Primary Government			Component Unit
	Governmental	Business - Type	Total	Road
	Activities	Activities		Commission
Cash and cash equivalents	\$ 15,582,773	\$ 16,093,584	\$ 31,676,357	\$ 4,665,071
Investments	22,827,083	17,462,817	40,289,900	-
Receivables				
Accounts	3,462,319	2,950,095	6,412,414	-
Intergovernmental	5,784,521	2,931,243	8,715,764	2,319,772
Accrued interest	1,206,450	343,851	1,550,301	-
Current taxes	1,493,754	4,285,047	5,778,801	-
Delinquent taxes	-	3,772,782	3,772,782	-
Interest and penalties on delinquent taxes	-	1,177,423	1,177,423	-
Special assessments	7,732,288	-	7,732,288	-
Other	7,915	-	7,915	94,580
Prepaid Items	61,904	-	61,904	219,626
Prepaid expenses	-	89,752	89,752	-
Internal balances	2,852,762	(2,852,762)	-	-
Inventories	90,810	30,997	121,807	917,722
Restricted assets	-	1,110,425	1,110,425	1,907,412
Long-term note receivable	3,386,899	-	3,386,899	-
Land	3,934,038	15,830,272	19,764,310	18,821,714
Capital Assets, net of accumulated depreciation	59,565,348	97,323,069	156,888,417	35,221,410
	<u>\$ 127,988,864</u>	<u>\$ 160,548,595</u>	<u>\$ 288,537,459</u>	<u>\$ 64,167,307</u>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Statement of Net Assets***  
***September 30, 2005***

	Primary Government			Component Unit
	Governmental	Business - Type		Road
	Activities	Activities	Total	Commission
<b>LIABILITIES</b>				
Payables				
Accounts	\$ 6,549,504	\$ 2,478,662	\$ 9,028,166	\$ 1,495,715
Intergovernmental	4,213,295	-	4,213,295	5,741
Advances	-	-	-	411,332
Accrued liabilities	10,118,404	9,510,318	19,628,722	73,975
Payable from restricted funds				
Accrued interest	-	270,549	270,549	-
Unearned revenue	1,824,103	-	1,824,103	462,180
Long-term debt				
Due within one year	11,500,930	11,695,000	23,195,930	390,000
Due in more than one year	32,530,238	24,239,944	56,770,182	1,712,621
Total liabilities	<u>\$ 66,736,474</u>	<u>\$ 48,194,473</u>	<u>\$ 114,930,947</u>	<u>\$ 4,551,564</u>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	\$ 43,784,386	\$ 85,191,658	\$ 128,976,044	\$ 54,105,564
Restricted for:				
Special Revenue	6,405,681	-	6,405,681	5,510,179
Closure Costs	-	3,464,196	3,464,196	-
Capital Projects	5,404,138	-	5,404,138	-
Debt Service	9,740,627	-	9,740,627	-
Permanent Fund - expendable	18,359	-	18,359	-
Permanent Fund - nonexpendable	34,885	-	34,885	-
Unrestricted	(4,135,686)	23,698,268	19,562,582	-
Total Net Assets	<u><u>\$ 61,252,390</u></u>	<u><u>\$ 112,354,122</u></u>	<u><u>\$ 173,606,512</u></u>	<u><u>\$ 59,615,743</u></u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

**Statement of Activities  
For the Year Ended September 30, 2005**

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental	Primary Government Business-Type Activities	Total	Road Commission
<b>Primary Government:</b>									
<b>Governmental Activities</b>									
Legislative	\$ 408,142	\$ -	\$ -	\$ -	\$ -	(\$ 408,142)	\$ -	(\$ 408,142)	\$ -
Judicial	7,801,412	2,919,277	198,755	-	3,118,032	(4,683,380)	-	(4,683,380)	-
General County Government	22,972,284	6,424,595	4,875,271	-	11,299,866	(11,672,418)	-	(11,672,418)	-
Public Safety	12,922,723	842,315	2,259,198	-	3,101,513	(9,821,210)	-	(9,821,210)	-
Health	103,896,755	74,834,914	15,265,959	-	90,100,873	(13,795,882)	-	(13,795,882)	-
Welfare	7,668,031	-	7,554,247	-	7,554,247	(113,784)	-	(113,784)	-
Culture	1,447,106	458,490	328,622	-	787,112	(659,994)	-	(659,994)	-
Recreation	774,439	602,807	178,833	-	781,640	7,201	-	7,201	-
Other	616,973	676,978	122,189	-	799,167	182,194	-	182,194	-
<b>Debt Service</b>									
Interest	1,073,850	-	-	-	-	(1,073,850)	-	(1,073,850)	-
Other	88,370	-	-	-	-	(88,370)	-	(88,370)	-
<b>Total Governmental Activities</b>	<b>159,670,085</b>	<b>86,759,376</b>	<b>30,783,074</b>	<b>-</b>	<b>117,542,450</b>	<b>(42,127,635)</b>	<b>-</b>	<b>(42,127,635)</b>	<b>-</b>
<b>Business-Type Activities:</b>									
Solid Waste (5710)	915,681	2,049,584	11,612	-	2,061,196	-	1,145,515	1,145,515	-
Airport (5810)	2,763,880	1,071,685	480,555	295,240	1,847,480	-	(916,400)	(916,400)	-
Wastewater (5920)	15,155,339	12,281,843	36,879	1,850,000	14,168,722	-	(986,617)	(986,617)	-
Other Proprietary Funds	4,686,321	3,398,557	2,299,447	234,819	5,932,823	-	1,246,502	1,246,502	-
<b>Total Business-Type Activities</b>	<b>23,521,221</b>	<b>18,801,669</b>	<b>2,828,493</b>	<b>2,380,059</b>	<b>24,010,221</b>	<b>-</b>	<b>489,000</b>	<b>489,000</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 183,191,306</b>	<b>\$ 105,561,045</b>	<b>\$ 33,611,567</b>	<b>\$ 2,380,059</b>	<b>\$ 141,552,671</b>	<b>(42,127,635)</b>	<b>489,000</b>	<b>(41,638,635)</b>	<b>-</b>
<b>Component Unit:</b>									
Muskegon County Road Commission	\$12,432,027	\$2,119,354	\$9,538,324	\$2,287,336	\$13,945,014				\$ 1,512,987
<b>General Revenues:</b>									
Property Taxes						31,293,548	-	31,293,548	-
Investment Earnings						1,148,997	957,238	2,106,235	162,712
Rentals						809,683	-	809,683	6,900
Gain (Loss) on Disposal of Assets						-	-	-	23,682
Donations (unrestricted)						1,756,826	-	1,756,826	-
Other						6,604,124	349,350	6,953,474	18,159
Transfers						1,181,995	(1,181,995)	-	-
<b>Total General Revenues, Special Items, and Transfers</b>						<b>42,795,173</b>	<b>124,593</b>	<b>42,919,766</b>	<b>211,453</b>
<b>Change in Net Assets</b>						<b>667,538</b>	<b>613,593</b>	<b>1,281,131</b>	<b>1,724,440</b>
<b>Net Assets - Beginning of Year (restated) (Note 17)</b>						<b>60,584,852</b>	<b>111,740,529</b>	<b>172,325,381</b>	<b>57,891,303</b>
<b>Net Assets - End of Year</b>						<b>\$ 61,252,390</b>	<b>\$ 112,354,122</b>	<b>\$ 173,606,512</b>	<b>\$ 59,615,743</b>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Balance Sheet***

***Governmental Funds***

***September 30, 2005***

ASSETS	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 218,820	\$ 1,651,787	\$ 967,787	\$ -	\$ 1,121,647	\$ 6,511,733	\$ 10,471,774
Investments	2,426,726	1,689,698	1,050,118	-	1,217,066	7,169,039	13,552,647
Receivables							
Accounts	283,366	85,886	578,641	1,791,976	250,934	462,002	3,452,805
Intergovernmental	603,719	-	-	-	-	5,180,802	5,784,521
Accrued interest	929,008	34,990	7,747	8	20,554	86,152	1,078,459
Special assessments	-	-	-	-	7,730,000	2,288	7,732,288
Current taxes	1,493,754	-	-	-	-	-	1,493,754
Other	7,915	-	-	-	-	-	7,915
Prepaid Items	-	-	-	38,672	-	23,232	61,904
Due from other funds	5,419,525	-	-	-	-	1,493,754	6,913,279
Inventories	-	-	-	90,810	-	-	90,810
Long-term advances to other funds	588,618	-	-	-	-	-	588,618
Long-term note receivable	-	-	-	-	-	1,300,000	1,300,000
	<u>\$ 11,971,451</u>	<u>\$ 3,462,361</u>	<u>\$ 2,604,293</u>	<u>\$ 1,921,466</u>	<u>\$ 10,340,201</u>	<u>\$ 22,229,002</u>	<u>\$ 52,528,774</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

*County of Muskegon*  
*Balance Sheet*  
*Governmental Funds*  
*September 30, 2005*

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>							
Payables							
Accounts	\$ 471,137	\$ 164,141	\$ 2,443,543	\$ 258,437	\$ -	\$ 2,674,799	\$ 6,012,057
Intergovernmental	317,999	1,389,058	-	-	1,894,668	611,570	4,213,295
Accrued interest payable	-	-	-	-	-	98,987	98,987
Accrued liabilities	1,824,204	790,919	160,750	407,580	-	827,582	4,011,035
Due to other funds	1,493,754	-	-	979,130	-	2,652,168	5,125,052
Long-term advances from other funds	-	-	-	-	-	21,500	21,500
Deferred revenue	15,000	50,000	-	-	7,980,000	262,993	8,307,993
<b>Total liabilities</b>	<b>\$ 4,122,094</b>	<b>\$ 2,394,118</b>	<b>\$ 2,604,293</b>	<b>\$ 1,645,147</b>	<b>\$ 9,874,668</b>	<b>\$ 7,149,599</b>	<b>\$ 27,789,919</b>
Fund Balances							
Reserved for long-term advances to other funds	\$ 588,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,618
Reserved for long-term note receivable	-	-	-	-	-	1,300,000	1,300,000
Reserved for prepaids/inventory	-	-	-	129,482	-	23,232	152,714
Unreserved							
Designated for Capital Projects	-	-	-	-	-	5,404,138	5,404,138
Designated for Special Revenue	84,192	1,068,243	-	146,837	-	4,953,695	6,252,967
Designated for Debt Service	-	-	-	-	465,533	1,295,094	1,760,627
Designated for Permanent Funds - expendable	-	-	-	-	-	18,359	18,359
Designated for Permanent Funds - nonexpendable	-	-	-	-	-	34,885	34,885
Undesignated	7,176,547	-	-	-	-	-	7,176,547
Undesignated - Special Revenue	-	-	-	-	-	2,050,000	2,050,000
<b>Total Fund Balances</b>	<b>7,849,357</b>	<b>1,068,243</b>	<b>-</b>	<b>276,319</b>	<b>465,533</b>	<b>15,079,403</b>	<b>24,738,855</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,971,451</b>	<b>\$ 3,462,361</b>	<b>\$ 2,604,293</b>	<b>\$ 1,921,466</b>	<b>\$ 10,340,201</b>	<b>\$ 22,229,002</b>	

Amounts reported for Governmental Activities in the  
Statement of Net Assets are different because:

Capital assets used for governmental activities are not  
current financial resources and therefore are not reported in  
the Governmental Funds Balance Sheet. 56,310,125

Internal Service Funds are used by management to charge the costs of certain  
activities , such as insurance and equipment leasing to individual funds.  
The assets and liabilities of the Internal Service Funds are included in the  
governmental activities in the Government-wide Statement of Net Assets 11,634,756

Deferred revenue in Debt Service is recognized on the full accrual basis in the  
Government Wide Financial Statements 7,980,000

Long term liabilities are not due and payable in the current period and therefore  
they are not reported in the Governmental Funds Balance Sheet (39,411,346)

Net Assets of Governmental Activities \$ 61,252,390

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

**County of Muskegon**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended September 30, 2005**

	General (1010)	Community Mental Health (2220)	Managed Care (2222)	Brookhaven Medical Care Facility (2900)	Water and Sewer Debt (3650)	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 22,347,307	\$ -	\$ -	\$ -	\$ -	\$ 8,946,241	\$ 31,293,548
Licenses and permits	25,955	-	-	-	-	812,410	838,365
Operating grants and contributions	2,199,657	3,712,934	3,566,044	-	-	21,304,439	30,783,074
Charges for services	9,374,085	12,617,300	39,890,342	20,049,819	-	2,816,166	84,747,712
Fines and forfeitures	736,911	-	-	-	-	436,388	1,173,299
Investment income	522,568	84,492	15,399	55	8,254	214,455	845,223
Rentals	114,289	-	-	16,240	-	679,154	809,683
Special assessments	-	-	-	-	425,000	-	425,000
Contributions from private sources	1,761	1,017,654	654,694	47	-	82,670	1,756,826
Other	965,732	742,292	1,088,113	652	333	639,566	3,436,688
Total revenues	<u>36,288,265</u>	<u>18,174,672</u>	<u>45,214,592</u>	<u>20,066,813</u>	<u>433,587</u>	<u>35,931,489</u>	<u>156,109,418</u>
<b>Expenditures</b>							
Current operations							
Legislative	408,142	-	-	-	-	-	408,142
Judicial	6,410,348	-	-	-	-	1,347,862	7,758,210
General County government	12,197,354	-	-	-	-	4,945,333	17,142,687
Public safety	9,690,229	-	-	-	-	3,021,439	12,711,668
Health	-	17,765,410	45,961,793	20,068,472	-	16,458,126	100,253,801
Welfare	-	-	-	-	-	7,551,019	7,551,019
Culture	122,987	-	-	-	-	1,293,858	1,416,845
Recreation	-	-	-	-	-	575,435	575,435
Other	615,177	-	-	-	1,796	-	616,973
Capital outlay	28,621	15,396	12,736	-	-	3,861,506	3,918,259
Debt service							
Principal payments	-	-	-	-	1,020,000	1,265,000	2,285,000
Interest	-	-	-	-	32,251	1,041,599	1,073,850
Other	-	-	-	-	-	88,370	88,370
Total expenditures	<u>29,472,858</u>	<u>17,780,806</u>	<u>45,974,529</u>	<u>20,068,472</u>	<u>1,054,047</u>	<u>41,449,547</u>	<u>155,800,259</u>
Revenues over (under) expenditures	6,815,407	393,866	(759,937)	(1,659)	(620,460)	(5,518,058)	309,159
<b>Other financing sources (uses)</b>							
Sales of Capital Assets	5,300	-	17,272	-	-	502,902	525,474
Transfers in	4,136,382	-	742,665	-	641,377	9,728,982	15,249,406
Note Proceeds	-	-	-	-	-	5,000,000	5,000,000
Transfers (out)	(10,594,139)	(172,314)	-	-	-	(3,314,859)	(14,081,312)
	<u>(6,452,457)</u>	<u>(172,314)</u>	<u>759,937</u>	<u>-</u>	<u>641,377</u>	<u>11,917,025</u>	<u>6,693,568</u>
Net change in fund balance	362,950	221,552	-	(1,659)	20,917	6,398,967	7,002,727
Fund balance at beginning of year	<u>7,486,407</u>	<u>846,691</u>	<u>-</u>	<u>277,978</u>	<u>444,616</u>	<u>8,680,436</u>	<u>17,736,128</u>
Fund balance at end of year	<u>\$ 7,849,357</u>	<u>\$ 1,068,243</u>	<u>\$ -</u>	<u>\$ 276,319</u>	<u>\$ 465,533</u>	<u>\$ 15,079,403</u>	<u>\$ 24,738,855</u>

The accompanying notes are an integral part of this statement.

## ***County of Muskegon***

### ***Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities***

#### ***For the Year Ended September 30, 2005***

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in fund balances - total governmental funds	\$ 7,002,727
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation for the current period less outlays capitalized in the current period	(1,537,331)
The repayment of long term debt consumes current financial resources but does not effect net assets	2,285,000
Gain on the difference between the cost of a governmental asset and its accumulated depreciation is not recognized in governmental funds as it does not deduct from current financial resources	(258,592)
Recognition of special assessment revenue on debt with governmental commitment occurs annually in the governmental funds but is on full accrual for all amounts due in the Government Wide Statements	(425,000)
The issuance of long term debt provides current financial resources but does not affect net assets	(5,000,000)
The accrual of sick and annual wages does not consume current financial resources but does reduce net assets therefore they are not reported in governmental funds	(239,444)
Due from other funds in the General Fund for cash deficits	5,419,525
Due to General Fund in Governmental funds	(3,631,298)
Due to General Fund in Proprietary funds	(1,788,227)
Due to other funds in the General Fund for current taxes	1,493,754
Due from the General Fund in Governmental funds for current taxes	(1,493,754)
Long term advances to Governmental funds	21,500
Long term advances to Internal Service funds	567,118
Long term advances from General Fund	(588,618)
Long term advances to Internal Service funds	71,402
Long term advances from Proprietary funds	(71,402)
Due to internal service funds	1,135,937
Due from proprietary funds	(1,135,937)
Internal service funds are used by management to charge the costs of insurance, printing, central facilities, equipment, risk management and tax collection to individual funds	
The net revenue of certain activities of internal service funds is reported with governmental activities	<u>(1,159,822)</u>
Change in net assets of governmental activities	<u><u>\$ 667,538</u></u>

**The accompanying notes are an integral part of this statement.**

**County of Muskegon**

**Statement of Net Assets  
Proprietary Funds  
September 30, 2005**

ASSETS	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 4,808,953	\$ -	\$ 4,893,008	\$ 6,391,623	\$ 16,093,584	\$ 6,899,226
Investments	5,550,911	-	4,976,542	6,935,364	17,462,817	7,486,209
Receivables						
Accounts	308,995	184,411	2,234,687	222,002	2,950,095	9,514
Intergovernmental	-	1,507,002	4,327	1,419,914	2,931,243	-
Accrued interest	91,489		129,277	123,085	343,851	127,991
Current taxes	-	-	-	4,285,047	4,285,047	-
Current portion of interest and penalties on delinquent taxes	-	-	-	718,993	718,993	-
Prepaid expenses	-	-	-	89,752	89,752	-
Inventories	516	-	29,965	516	30,997	-
Restricted Assets	990,326	-	-	120,099	1,110,425	-
Total current assets	11,751,190	1,691,413	12,267,806	20,306,395	46,016,804	14,522,940
<b>NONCURRENT ASSETS</b>						
Long-term advances to other funds	71,402	-	-	-	71,402	1,135,937
Long-term note receivable	-	-	-	-	-	2,086,899
Delinquent taxes	-	-	-	3,772,782	3,772,782	-
Interest and penalties on delinquent taxes	-	-	-	458,430	458,430	-
Property and equipment at cost, net of accumulated depreciation	6,502,943	19,003,955	79,575,174	8,071,269	113,153,341	7,189,261
Total noncurrent assets	6,574,345	19,003,955	79,575,174	12,302,481	117,455,955	10,412,097
Total assets	\$ 18,325,535	\$ 20,695,368	\$ 91,842,980	\$ 32,608,876	\$ 163,472,759	\$ 24,935,037

The accompanying notes are an integral part of this statement.

This Statement covers more than one page



*County of Muskegon*

*Statement of Net Assets*

*Proprietary Funds*

*September 30, 2005*

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 184,028	\$ 72,953	\$ 1,987,506	\$ 234,175	\$ 2,478,662	\$ 537,447
Accrued liabilities	103,780	129,444	853,462	327,155	1,413,841	6,008,382
Accrued closure costs	8,070,588	-	-	-	8,070,588	-
Accrued interest	-	25,889	-	-	25,889	-
Current portion of tax anticipation notes payable	-	-	-	9,000,000	9,000,000	-
Long-term debt payable in less than one year	-	190,000	2,300,000	205,000	2,695,000	1,140,930
Payable from restricted funds	-	-	-	-	-	-
Accrued interest	-	-	270,549	-	270,549	-
Total current liabilities	<u>\$ 8,358,396</u>	<u>\$ 418,286</u>	<u>\$ 5,411,517</u>	<u>\$ 9,766,330</u>	<u>\$ 23,954,529</u>	<u>\$ 7,686,759</u>
<b>NONCURRENT LIABILITIES</b>						
Due to other funds	\$ -	\$ 1,149,022	\$ -	\$ 639,205	\$ 1,788,227	\$ -
Notes payable	-	-	-	1,500,000	1,500,000	-
Land contract payable	-	-	-	-	-	94,405
Long-term advances from other funds	-	1,135,937	-	-	1,135,937	638,520
Long-term debt due in more than one year	-	1,665,000	20,499,944	575,000	22,739,944	3,384,487
Deferred revenue	-	-	-	-	-	1,496,110
Total noncurrent liabilities	<u>-</u>	<u>3,949,959</u>	<u>20,499,944</u>	<u>2,714,205</u>	<u>27,164,108</u>	<u>5,613,522</u>
Total liabilities	<u>8,358,396</u>	<u>4,368,245</u>	<u>25,911,461</u>	<u>12,480,535</u>	<u>51,118,637</u>	<u>13,300,281</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of related debt	6,502,943	14,622,216	56,775,230	7,291,269	85,191,658	3,323,835
Restricted for cell closure	3,464,196	-	-	-	3,464,196	-
Unrestricted	-	1,704,907	9,156,289	12,837,072	23,698,268	8,310,921
Total Net Assets	<u>\$ 9,967,139</u>	<u>\$ 16,327,123</u>	<u>\$ 65,931,519</u>	<u>\$ 20,128,341</u>	<u>\$ 112,354,122</u>	<u>\$ 11,634,756</u>

The accompanying notes are an integral part of this statement.

This Statement covers more than one page

*County of Muskegon*

*Statement of Revenues, Expenses and Changes in Fund Net Assets*

*Proprietary Funds*

*For the Year ended September 30, 2005*

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 2,049,584	\$ 1,071,685	\$ 11,269,347	\$ 1,386,442	\$ 15,777,058	\$ -
Farm sales	-	-	1,012,496	-	1,012,496	-
Interest and penalties on delinquent taxes	-	-	-	2,012,115	2,012,115	-
Premiums	-	-	-	-	-	15,089,374
Rents	-	-	-	-	-	1,913,102
Other	60	43,294	265,003	40,993	349,350	3,157,920
	<u>2,049,644</u>	<u>1,114,979</u>	<u>12,546,846</u>	<u>3,439,550</u>	<u>19,151,019</u>	<u>20,160,396</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	651,085	768,791	3,495,702	1,948,026	6,863,604	1,754,578
Supplies and other operating expenses	(110,089)	1,378,205	6,582,027	1,875,391	9,725,534	5,205,690
Insurance benefits and claims	-	-	-	-	-	1,544,648
Insurance premiums	-	-	-	-	-	11,923,521
Interest expense	-	-	-	194,778	194,778	184,096
Depreciation and amortization	580,528	591,313	4,080,149	596,384	5,848,374	1,034,876
	<u>1,121,524</u>	<u>2,738,309</u>	<u>14,157,878</u>	<u>4,614,579</u>	<u>22,632,290</u>	<u>21,647,409</u>
Operating income (loss)	<u>928,120</u>	<u>(1,623,330)</u>	<u>(1,611,032)</u>	<u>(1,175,029)</u>	<u>(3,481,271)</u>	<u>(1,487,013)</u>
<b>Non Operating revenues (expenses)</b>						
Operating subsidies	11,612	480,555	36,879	2,299,447	2,828,493	-
Interest income	335,328	324	303,522	318,064	957,238	303,774
Interest expense	-	(119,488)	(1,075,399)	(75,319)	(1,270,206)	-
Other	205,843	93,917	77,938	3,577	381,275	9,516
	<u>552,783</u>	<u>455,308</u>	<u>(657,060)</u>	<u>2,545,769</u>	<u>2,896,800</u>	<u>313,290</u>
Income (loss) before operating transfers and capital contributions	1,480,903	(1,168,022)	(2,268,092)	1,370,740	(584,471)	(1,173,723)
<b>Capital contributions</b>						
Transfers in	-	295,240	1,850,000	234,819	2,380,059	-
Transfers (out)	(250,760)	(18,348)	-	(9,074,074)	(9,343,182)	-
	<u>(250,760)</u>	<u>1,457,196</u>	<u>1,850,000</u>	<u>(1,858,372)</u>	<u>1,198,064</u>	<u>13,901</u>
Change in Net Assets	1,230,143	289,174	(418,092)	(487,632)	613,593	(1,159,822)
<b>Net Assets at beginning of year (restated) (Note 17)</b>	<u>8,736,996</u>	<u>16,037,949</u>	<u>66,349,611</u>	<u>20,615,973</u>	<u>111,740,529</u>	<u>12,794,578</u>
<b>Net Assets at end of year</b>	<u>\$ 9,967,139</u>	<u>\$ 16,327,123</u>	<u>\$ 65,931,519</u>	<u>\$ 20,128,341</u>	<u>\$ 112,354,122</u>	<u>\$ 11,634,756</u>

The accompanying notes are an integral part of this statement.

*County of Muskegon*

*Statement of Cash Flows*

*Proprietary Funds*

*For the Year ended September 30, 2005*

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 3,709,772	\$ 789,825	\$ 11,673,449	\$ 3,892,110	\$ 20,065,156	\$ 96,405
Cash Received from other funds	-	-	-	-	-	20,057,904
Cash Payments to Suppliers of Goods and Services	(745,117)	(1,350,929)	(8,415,637)	(1,768,608)	(12,280,291)	(15,796,137)
Interest Paid	-	-	-	(234,500)	(234,500)	-
Cash Payments to Employees for Services	(644,070)	(754,830)	(3,463,762)	(1,907,771)	(6,770,433)	(1,753,283)
Note Proceeds	-	-	-	9,000,000	9,000,000	-
Tax collections	-	-	-	5,282,212	5,282,212	-
Delinquent tax payments to municipalities	-	-	-	(14,282,212)	(14,282,212)	-
Other receipts	60	43,294	265,003	40,993	349,350	-
Net cash provided by (used for) Operating Activities	2,320,645	(1,272,640)	59,053	22,224	1,129,282	2,604,889
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from (to) other funds	32,700	(74,344)	-	11,797	(29,847)	(32,700)
Tax Collections	-	-	-	8,653,280	8,653,280	-
Operating Subsidies from Grants	11,612	480,555	36,879	1,624,048	2,153,094	-
Transfers (out)	(250,760)	(18,348)	-	(9,074,074)	(9,343,182)	-
Transfers in	-	1,180,304	-	6,980,883	8,161,187	13,901
Bond payments	-	-	-	(9,000,000)	(9,000,000)	-
Net cash provided by (used for) noncapital financing activities	(206,448)	1,568,167	36,879	(804,066)	594,532	(18,799)
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Note Issuance	-	-	-	-	-	1,367,115
Principal payments on long term debt	-	(180,000)	(2,240,000)	(215,000)	(2,635,000)	(868,624)
Principal received on long term advances	-	-	-	-	-	1,457,285
Interest expense and agent fees	-	(121,873)	(1,194,395)	(80,406)	(1,396,674)	-
Purchase of fixed assets	(263,771)	-	(845,453)	(234,819)	(1,344,043)	(1,512,343)
Construction in progress	-	(343,839)	(1,589,287)	-	(1,933,126)	(1,584,631)
Sale of fixed assets	40,000	54,621	77,938	-	172,559	9,516
Insurance Payment	166,049	-	-	-	166,049	-
Capital contributions and grants	-	295,240	1,850,000	-	2,145,240	-
Net cash used for capital and related financing activities	(57,722)	(295,851)	(3,941,197)	(530,225)	(4,824,995)	(1,131,682)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	315,930	324	282,741	312,940	911,935	271,174
Net cash provided by investing activities	\$ 315,930	\$ 324	\$ 282,741	\$ 312,940	\$ 911,935	\$ 271,174

The accompanying notes are an integral part of this statement.

**County of Muskegon**

**Statement of Cash Flows - Continued**  
**Proprietary Funds**  
**For the Year ended September 30, 2005**

	Solid Waste (5710)	Airport (5810)	Wastewater (5920)	Other Proprietary Funds	Totals	Governmental Activities Internal Service Funds
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,372,405	\$ -	(\$ 3,562,524)	(\$ 999,127)	(\$ 2,189,246)	\$ 1,725,582
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,987,459	-	13,432,074	14,326,114	35,745,647	12,659,853
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,359,864</u>	<u>\$ -</u>	<u>\$ 9,869,550</u>	<u>\$ 13,326,987</u>	<u>\$ 33,556,401</u>	<u>\$ 14,385,435</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	<u>\$ 928,120</u>	<u>(\$ 1,623,330)</u>	<u>(\$ 1,611,032)</u>	<u>(\$ 1,175,029)</u>	<u>(\$ 3,481,271)</u>	<u>(\$ 1,487,013)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	580,528	591,313	4,080,149	596,384	5,848,374	1,034,876
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(106,118)	(32,384)	(616,093)	(104,281)	(858,876)	(587)
(Increase) decrease in intergovernmental receivable	1,766,306	(172,676)	7,699	-	1,601,329	901,728
Increase (decrease) in deferred revenue	-	(15,000)	-	-	(15,000)	-
(Increase) decrease in inventory	-	-	(4,096)	-	(4,096)	-
Increase (decrease) in accounts payable	132,990	27,276	(1,829,514)	89,064	(1,580,184)	144,333
(Increase) decrease in prepaid expenses	-	-	-	19,584	19,584	-
(Increase) decrease in restricted assets	(69,164)	-	-	(1,865)	(71,029)	-
Decrease in closure costs	(919,032)	-	-	-	(919,032)	-
Increase (decrease) in due to other funds	-	(61,800)	-	597,834	536,034	-
Increase (decrease) in accrued liabilities	7,015	13,961	31,940	533	53,449	2,011,552
Total adjustments	<u>1,392,525</u>	<u>350,690</u>	<u>1,670,085</u>	<u>1,197,253</u>	<u>4,610,553</u>	<u>4,091,902</u>
Net cash provided by operations	<u>\$ 2,320,645</u>	<u>(\$ 1,272,640)</u>	<u>\$ 59,053</u>	<u>\$ 22,224</u>	<u>\$ 1,129,282</u>	<u>\$ 2,604,889</u>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Statement of Fiduciary Net Assets***

***Fiduciary Funds***

***September 30, 2005***

	<b>Agency Funds</b>	<b>Trust Fund Retirees' Insurance (7330)</b>
<b>ASSETS</b>		
Cash and cash investments	\$ 14,838,465	\$ 13,713,591
Accounts receivable	556,244	3,591
Accrued interest receivable	25,110	125,731
	<u>\$ 15,419,819</u>	<u>\$ 13,842,913</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 25,672	\$ 136
Intergovernmental payable	2,612,389	-
Undistributed current and delinquent taxes	7,815,629	-
Trust deposits	2,168,039	-
Accrued liabilities	42,255	-
Unallocated receipts	2,727,780	-
Fines and Fees due to local municipalities and libraries	28,055	-
	<u>\$ 15,419,819</u>	<u>136</u>
<b>Net Assets</b>		
Held in trust for pension benefits		<u>\$ 13,842,777</u>

The accompanying notes are an integral part of this statement.

***County of Muskegon***

***Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year ended September 30, 2005***

	<b>Retirees' Insurance (7330)</b>
<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ 2,886,932
Plan members	345,107
<b>Investment earnings</b>	290,324
<b>Total Additions</b>	<u>3,522,363</u>
<b>Deductions</b>	
<b>Benefits</b>	3,285,924
<b>Expenses</b>	-
<b>Total Deductions</b>	<u>3,285,924</u>
 <b>Change in Net Assets</b>	 236,439
 Net Assets - Beginning	 <u>13,606,338</u>
Net Assets - Ending	<u><u>\$ 13,842,777</u></u>

The accompanying notes are an integral part of this statement.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

The County of Muskegon, Michigan, was incorporated on July 18, 1859, and covers an area of approximately 527.34 square miles with the county seat located in the City of Muskegon. The county operates under an elected Board of Commissioners (11 members) and provides services to its 170,000 residents in many areas, including law enforcement, administration of justice, transportation, waste disposal, road maintenance, community enrichment and development and human services.

a) Reporting Entity

The accompanying financial statements present the County and its discretely presented component unit, entity for which the County is considered to be fiscally accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate for the County. The Muskegon County Building Authority is a blended component unit and its sole function is to construct and lease back buildings to the County. The authority has no financial activity as all costs are borne and reported by the County.

**Discretely presented component unit.** The Muskegon County Road Commission (MCRC) is responsible for maintaining a primary and local road system within county boundaries. The members of the governing board are appointed by the County Board of Commissioners and the County has significant financial responsibility for its operations. The County board also approves all debt issuances.

Complete financial statements for the individual component unit can be obtained from the entity's administrative office.

Muskegon County Road Commission  
7700 E Apple Ave  
Muskegon MI 49442

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

b) Fund Accounting

The financial activities of the county are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

c) Government-wide and fund financial statements

The government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets on all the non-fiduciary activities of the primary government and its component unit. Most of the effects of interfund activity have been removed from these statements. **Governmental activities**, which normally are supported by taxes and intergovernmental revenues, are reported separately from **business-type activities**, which rely primarily on users fees and charges for service. Likewise, the **primary government** is reported separately from certain legally separate **component units** for which the primary government is financially accountable.

The statement of activities demonstrate the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identified with a specific function or segment. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a specific function or segment and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) other revenues that are by definition related to the cost of providing a specific function or segment. Taxes, fines and other items not specific to particular functions or segments are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements use the “economic resources” measurement focus and full accrual basis of accounting which also include the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. A ninety day availability period is used for revenue recognition for all governmental fund revenues, except for property taxes, which are sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgements, are recorded only when payment is due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services are considered to be susceptible to accrual and have been recognized as revenues in the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The **General Fund** (1010) is the government’s primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

**Community Mental Health** (2220) accounts for funds earmarked to provide mental health services within county boundaries. Monies are provided by federal, state, and county appropriations, grants, contributions and charges for services. This fund has several separate programs for the mentally impaired and developmentally disabled individuals. Both out-patient and in-patient services for adults and children are provided.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Managed Care** (2222) accounts for monies received from all sources and distributes these funds to contracted providers and our own internal providers of services for mental health services.

**Brookhaven Medical Care Facility** (2900) accounts for revenues received from insurance providers, governmental agencies and patients (or their representatives) for the operation of a medical care facility for the care of the elderly and infirm.

**Water and Sewer Debt** (3650) accounts for revenues received from local municipalities for the payment of the limited obligation long-term debt (principal, interest and fees) of the County. This debt is a special assessment debt with governmental commitment associated with local municipalities, water and sewer installation and infrastructure improvements.

The County reports the following major proprietary funds:

**Solid Waste** (5710) accounts for revenues received from, and expenses made for, the operations of a solid waste system. Monies for the operation of this fund are received from customers.

**Airport** (5810) provides direct and related services for both air carrier and general aviation aircraft. Airport activities are administratively divided into four areas: airfield, terminal buildings, hangars and other.

**Wastewater** (5920) provides a innovative, comprehensive plan for utilizing wastewater for land treatment by spray irrigation. The land treatment system nearly eliminates industrial and municipal pollutants and utilizes the wastewater as water and fertilizer to grow crops. Revenues are derived primarily from municipal users and private corporations. Additional revenue is generated from sales of crops grown at the facility.

Additionally, the County reports the following fund types:

**Internal service funds** account for printing, building maintenance, building and equipment purchases, and insurance and risk management on a cost reimbursement basis.

**Trust funds** account for the perpetual care of retirees' medical and dental costs. These funds are legally held in trust for use only by the specified activities as described. The accounting for trust funds is like that used for proprietary funds (full accrual).

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

d) Measurement focus, basis of accounting, and financial statement presentation - continued

**Agency funds** account for monies that are custodial in nature (assets equal liabilities) and do not involve the measurement of results in operations. Agency funds are accounted for on the full accrual basis of accounting. Amounts held in the agency funds include ordinance fines and costs, payments in lieu of taxes, current real and personal property taxes, payroll withholdings and public safety funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are revenues in excess of expenses for tax collection and internal rentals of buildings and equipment in excess of depreciation and cost of money. Elimination of the revenues would distort the activity of the functions and would not reflect the proper future uses of the excesses collected for their specific governmental purposes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater enterprise fund, of the Solid Waste enterprise fund, and the Airport enterprise fund are charges to customers for sales and services. The County's internal service funds recognize as operating revenue internal transfers intended to recover the cost of providing specific benefits and equipment to employees and departments within County operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

The County reports deferred revenue on its Governmental Funds balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

e) Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

f) Inventories

Inventories, which consist of replacement parts, office supplies, drugs and medical supplies, are stated at cost using the first in, first out (FIFO) method in governmental funds, and at the lower of average cost or market in proprietary funds. Inventories are accounted for by the consumption method.

g) Capital Assets

Property and equipment are stated at cost. Expenditures which materially extend the useful life of existing properties are capitalized. All costs relating to the construction of facilities are capitalized, including salaries, employee benefits, and bond interest costs during the construction period. Capital assets are defined as assets with an estimated useful life of more than one year and with a unit cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued and recorded at estimated fair market value at the date of donation. Capital assets are reported in the respective governmental or business-type activities columns in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

## NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

g) Capital Assets - continued

All fixed assets, including those purchased/constructed prior to the implementation of GASB 34 have been included for the primary government and component unit. The County has no infrastructure assets in its governmental activities. Property, plant, and equipment of the County, as well as its component units, is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10 - 100
Lagoon	98 - 100
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Wastewater collection and distribution system	10 - 50
Infrastructure	5 - 50
Capitalized interest and engineering costs	47 - 50

h) Compensated absences

County employees are granted vacation and sick leave in varying amounts based on length of service. Upon termination, employees are paid (1) accumulated vacation at full rates with certain limitations for non-staff personnel, and (2) accumulated sick leave at death or retirement at three-quarters the employee's pay rate and at one-half the employee's pay rate for all other reasons. Vacation and sick pay is fully accrued in the government-wide and proprietary financial statements. Vacation and Sick long-term portion of \$6,641,346 has been recorded as a portion of the long-term debt in the government-wide financial statements. Vacation and Sick paid during the year has been made from the funds where the employees last worked. County Road Commission personnel are paid fully for accumulated vacation and nothing for sick leave upon termination. Upon retirement or death, personnel receive full accumulated vacation and one half the sick leave accrued.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

i) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

j) Self-Insurance Fund

The county maintains a self-insurance fund. The purpose of this fund is to pay premiums and claims as they are billed or occur. For the self-insured areas of workers' compensation, medical and unemployment, the county maintains an incurred but not reported (IBNR) reserve in all areas.

k) Fund Balance Reserves and Designations

Long-term advances from the general fund to the internal service funds were made to finance and sustain the activities of these funds. A portion of the general fund balance is reserved in an amount equal to such advances to reflect the amount of fund balance not currently available for expenditure.

As discussed in Note 4, the county has a long-term note receivable from the City of Muskegon Downtown Development Authority, which is held jointly by the capital projects and internal service funds. Portions of the capital projects fund balance have been reserved in amounts equal to their respective portions of such long-term note receivable to reflect the amount of the fund balance not currently available for expenditure.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

Fund balances designated for programs and debt service represent amounts appropriated by the Board of Commissioners for specific projects which carry over each year.

Specific fund balances designated and reserved are:

General and Special Revenue

General Fund (1010)	\$672,810
Emergency Services (1190)	21,082
Marine Safety (1200)	10,217
Township Patrols (1240)	5,407
Parks Fund (2080)	91,496
Friend of the Court (2150)	218,721
Family Court Re-entry Initiative (2152)	175,916
Health Department (2210)	103,152
Community Mental Health (2220)	1,068,243
Accommodations Tax (2300)	119,617
Deed Automation Fund (2560)	356,679
TNT Drug (2671)	72,616
Library (2710)	52,479
Crime Victims' Rights (2800)	3,500
Comp Strategy Implementation Grant (2821)	972

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

k) Fund Balance Reserves and Designations - continued

General and Special Revenue - continued

Revenue Sharing Reserve (2850)	3,233,499
EDC Loan Revolving (2860)	355,845
Rambusch-Fuchs CDBG Grant (2873)	3,549
Brookhaven Medical Care (2900)	276,319
Mental Health Buildings (2970)	111,201
Victim Restitution (2980)	40,979
	<u>\$6,994,299</u>

Debt Service

Designated for debt service	<u>\$1,760,627</u>
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Capital Projects

Capital improvements designated for Heritage Landing (4180)	\$17,130
Capital improvements designated for Fruitport/NS Sewer Project (4618)	1,365,159
Muskegon Township Sewer/Water (4640)	2,134,712
Future capital projects (4930) (4960)	1,486,458
Long-term Note Receivable (4930) (4960)	1,300,000
Capital improvements designated for drain projects (8010)	400,679
	<u>\$6,704,138</u>

Permanent Funds

Designated for perpetual care (1500) (1550)	<u>\$53,244</u>
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NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS - Continued

1) Budgets

The general, special revenue, and debt service funds are the governmental fund types under formal budgetary control. The county adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget.

1. A general, special revenue and debt service funds budget is presented to the Ways and Means Committee of the Board in September, at which time hearings on the budget are scheduled. A Public Hearing is held in August or September and a special meeting is held to give all elected officials the opportunity to discuss their budget with the Board.
2. The budget, and an appropriation ordinance implementing it, is then adopted in September.
3. Formal budget integration is employed as a management control device during the year for the general, special revenue and debt service funds. Formal budgetary integration is not employed for any other fund and only informational summaries are prepared as a management tool and are presented to the Board for consideration.
4. Budgets presented for the general, special revenue and debt service funds were prepared on the modified accrual basis of accounting. Encumbrances are not recorded at year end.
5. Expenditures may not legally exceed activity (department) totals in the general fund. All other special revenue fund expenditures and debt service funds cannot legally exceed their respective fund totals and must remain in accordance with their respective grant agreements with federal and state agencies.
6. Budgets for the current year are carefully reviewed in June or July for any revision of estimates. Proposed increases or reductions in appropriations are presented to the Ways and Means Committee and the Board in August and September for their action. The legislative body amends the general appropriation act as soon as it becomes apparent this action is necessary.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

l) Budgets - continued

7. The Governing Board has the authority to amend all budgets at the fund level through the appropriation ordinance. It further has the right to amend the General Fund at the activity level if it desires. Management has no authority to amend budgets at the fund level. Management can do transfers within funds at the departmental level without governing board approval but not between departments. Some budgets are approved at the zero activity level when there appears to be no consistent operating data to project future revenues or expenses.
8. The budgetary information presented has been amended during the year by an official action of the County Board of Commissioners. The amendments were not significant in total.
9. All budget appropriations lapse at the end of each funds' fiscal year.

m) Grants and Third Party Cost Reimbursement Settlements

The county receives grants from other governmental units to finance specific programs. The grant revenues are recorded based on qualifying program expenditures, as determined by the county, and are subject to audit by the responsible agencies. Adjustments required upon final settlements are recorded in the period of settlement. Third party cost reimbursements are recorded at prospective rates and provisions are made at the end of each year to adjust such revenues to the reimbursable cost expected to be received. Adjustments required upon final settlements are recorded in the period of settlement.

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT POLICIES AND OTHER MATTERS - Continued

n) Indirect Cost Rate

Administrative costs are recorded in the general fund as indirect costs in the county's accounting system and allocated to the various funds based upon a negotiated indirect cost plan. Indirect costs are defined by Office of Management and Budget (OMB) Circular A-87 as costs "(a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved." The indirect cost rate used by the county is based on prior cost experience, documented by a cost allocation plan, (published January 2005), and is approved by a cognizant federal agency (health and human services) in accordance with the provision of OMB Circular A-87. Upon the completion of an independent audit at the end of each fiscal year, the indirect cost rate is scrutinized and a revised fixed rate for future use is negotiated with the cognizant agency only if necessary. During 2005, the county's indirect cost rate was 11.1161% of direct salaries and wages, excluding fringe benefits. Certain other accounting policies are disclosed in subsequent footnotes.

NOTE 2 - PROPERTY TAX

Property taxes are levied and attached as an enforceable lien on property as of July 1 and December 1. Taxes are payable by March 1 with local treasurers. After March 1, taxes are delinquent and are collected by the county with additional penalty and interest added. Delinquent tax rolls are used to finance delinquent tax notes of which the proceeds are used to pay off the various taxing authorities around July 1. Collections of delinquent taxes (including penalty and interest) are kept by the county to repay the notes, with any remainder being remitted to the general fund. Any delinquent taxes not collected after two years have elapsed trigger the property to be foreclosed and sold at public auction, with a minimum bid of amounts due for taxes, interest and fees. The foreclosure sales occurs on or about September 1st. Therefore, under the statutes, total delinquency collection is assured.

NOTE 3 - CASH AND CASH EQUIVALENTS

To facilitate better management of the county's resources, substantially all cash is combined in one pooled operating account. The county's excess cash is invested principally in certificates of deposit and U.S. treasury notes primarily on a pooled investment basis.

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- . Investments that are readily convertible to known amounts of cash
- . Investments that mature in such a short period of time that their values are effectively immune from changes in interest rates
- . Original maturity of three months or less

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 3 - CASH AND CASH EQUIVALENTS - Continued

Investments are stated at fair value. Investment income of the pooled investment account is allocated monthly to the respective funds on the basis of their average daily cash balance. All investments are registered in the name of the County and held by the County's agent. As such, in accordance with GASB 40, the custodial credit risk of these investments need not be disclosed.

The county maintains a cash and investment pool that is used by all county funds and service agencies for which the county provides bookkeeping services. Each fund's portion of this pool is displayed as "cash and cash equivalents" (and investments) on the combined and individual balance sheets.

Deposits: At year-end, the carrying amount of the county's deposits was \$57,182,293 and the bank balance was \$59,814,991. Of the balances, \$600,000 was covered by federal depository insurance in the County's name. The remaining \$59,214,991 is uninsured and uncollateralized.

Investments: Per M.S.A. 3.843 (1), the legislative or governing body of the county has authorized the treasurer to invest surplus funds belonging to and under the control of the commission of the county as follows:

1. In bonds and other direct obligations of the United States or an instrumentality of the United States.
2. In certificates of deposit, saving accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan association which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration.
3. In commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. Not more than 50% of any fund may be invested in commercial paper at any time.
4. In United States government or federal agency obligation repurchase agreements.
5. In banker's acceptance of United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS -CONTINUED

September 30, 2005

NOTE 4 - LONG-TERM NOTE RECEIVABLE

The county has a long-term note receivable from the City of Muskegon Downtown Development Authority (a Michigan nonprofit corporation) dated August 17, 1989 (issued in the face amount of \$1,000,000, interest free), which is held jointly by capital projects and internal service funds.

The note is included in the accompanying combined financial statements at its original face amount. The note is collateralized by a certain tax increment financing plan and by the assignment of the related leases, which are believed to provide adequate assurance for the realization of the notes.

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet”. The details of this \$39,411,346 difference are as follows:

Bond Anticipation note	\$5,000,000
Special Assessment bonds	8,055,000
General Obligation bonds	12,980,000
Building Authority bonds	6,735,000
Compensated absences	<u>6,641,346</u>
Net adjustment to reduce	
fund balance - total governmental funds to arrive at	
net assets - governmental activities	<u>\$39,411,346</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 5 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS - continued

- b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that " Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this (\$1,537,331) difference are as follows:

Capital Outlay	\$4,003,869
Internal Service asset purchases	(3,096,974)
Internal Service depreciation	1,034,876
Depreciation Expense as presented for Governmental Activities	<u>(3,479,102)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>(\$1,537,331)</u></u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENT - CONTINUED  
September 30, 2005

NOTE 6 - CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2005 are summarized as follows:

**Primary Government**

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
<b>Governmental Activities</b>				
Capital assets, not depreciable:				
Land	\$4,078,102	\$ -	\$144,064	\$3,934,038
Construction in progress	<u>1,398,735</u>	<u>1,584,631</u>	<u>24,380</u>	<u>2,958,986</u>
	5,476,837	1,584,631	168,444	6,893,024
Capital assets being depreciated:				
Land Improvements	4,477,457	-	-	4,477,457
Buildings and Improvements	68,223,207	481,865	83,361	68,621,711
Machinery and Equipment	<u>17,002,017</u>	<u>1,937,373</u>	<u>1,556,108</u>	<u>17,383,282</u>
Total assets being depreciated	89,702,681	2,419,238	1,639,469	90,482,450
Less accumulated depreciation for:				
Land Improvements	(994,025)	(176,099)	-	(1,170,124)
Buildings and Improvements	(17,827,079)	(1,638,996)	(66,056)	(19,400,019)
Machinery and Equipment	<u>(13,125,203)</u>	<u>(1,664,007)</u>	<u>(1,483,265)</u>	<u>(13,305,945)</u>
Total accumulated depreciation	<u>(31,946,307)</u>	<u>(3,479,102)</u>	<u>(1,549,321)</u>	<u>(33,876,088)</u>
Total capital assets being depreciated, net	<u>57,756,374</u>	<u>(1,059,864)</u>	<u>90,148</u>	<u>56,606,362</u>
 Governmental activities-capital assets, net	 <u>\$63,233,211</u>	 <u>\$524,767</u>	 <u>\$258,592</u>	 <u>\$63,499,386</u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Business-type Activities</b>				
Capital assets, not depreciable:				
Land	\$15,011,466	818,806	\$ -	\$15,830,272
Construction in progress	<u>857,714</u>	<u>1,278,224</u>	<u>22,634</u>	<u>2,113,304</u>
Total capital assets not being depreciated	<u>\$15,869,180</u>	<u>\$2,097,030</u>	<u>\$22,634</u>	<u>\$17,943,576</u>
Capital assets being depreciated:				
Land Improvements	22,266,712	46,501	4,762	22,308,451
Buildings and Improvements	24,192,981	311,557	34,763	24,469,775
Machinery and Equipment	16,544,239	883,887	528,817	16,899,309
Lagoons	9,517,671	-	-	9,517,671
W/W collection and distribution	93,746,271	35,204	78,879	93,702,596
Capitalized interest and engineering	<u>7,381,808</u>	<u>-</u>	<u>-</u>	<u>7,381,808</u>
Total assets being depreciated	<u>\$173,649,682</u>	<u>\$1,277,149</u>	<u>\$647,221</u>	<u>\$174,279,610</u>



County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 6 - CAPITAL ASSETS - Continued

	Beginning			Ending
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Less accumulated depreciation for:				
Land Improvements	(\$11,570,017)	(\$558,958)	(\$4,758)	(\$12,124,217)
Buildings and Improvements	(8,646,336)	(713,714)	(34,516)	(9,325,534)
Machinery and Equipment	(10,028,551)	(1,109,459)	(506,746)	(10,631,264)
Lagoons	(2,963,856)	(96,321)	-	(3,060,177)
W/W collection and distribution	(36,918,158)	(3,101,305)	(26,490)	(39,992,973)
Capitalized interest and engineering	<u>(3,667,063)</u>	<u>(268,617)</u>	<u>-</u>	<u>(3,935,680)</u>
Total accumulated depreciation	<u>(73,793,981)</u>	<u>(5,848,374)</u>	<u>(572,510)</u>	<u>(79,069,845)</u>
Total business-type assets being depreciated, net	<u>99,855,701</u>	<u>(4,571,225)</u>	<u>74,711</u>	<u>95,209,765</u>
Business-type activities-capital assets, net	<u><u>\$115,724,881</u></u>	<u><u>(\$2,474,195)</u></u>	<u><u>\$97,345</u></u>	<u><u>\$113,153,341</u></u>

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 6 - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Judicial	\$43,202
General County Government	2,246,978
Public Safety	211,055
Health	631,590
Welfare	117,012
Culture	30,261
Recreation	<u>199,004</u>
Total Depreciation Expense - Governmental activities	<u>\$3,479,102</u>

Business-type Activities

Solid Waste	\$580,528
Airport	591,313
Wastewater	4,080,149
Other Proprietary Funds	<u>596,384</u>
Total Depreciation Expense - business-type activities	<u>\$5,848,374</u>

In accordance with the reporting under GASB Statement 42, the County has no impairment of capital assets for the year ended September 30, 2005.

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 7 - LONG-TERM DEBT

Change in Long-term debt of the county for the year ended September 30, 2005 was as follows:

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2005</u>	<u>Due within one year</u>
<u>Governmental Activities</u>					
Bonds Payable:					
<b>Special Assessment with Governmental commitment</b>					
Series II - paid in full in 2005 (8713) (Issued \$2,150,000)	\$100,000		(\$100,000)	\$0	
Fruitport Sewer Bond - payable in increasing annual installments ranging from \$100,000 in 2006 to \$250,000 in 2020 with interest from 4.7% to 6.5% (8715) (Issued \$2,680,000)	2,580,000		(50,000)	2,530,000	\$100,000
Series II - payable in increasing annual installments ranging from \$225,000 in 2006 to \$550,000 in 2020 with interest from 4.75% to 6.75% (8718) (Issued \$6,500,000)	5,750,000		(225,000)	5,525,000	225,000
Northside Water Project Bonds - paid in full in 2005 (8719) (Issued \$1,100,000)	645,000		(645,000)	0	

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2005</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
<b>General Obligation Bonds:</b>					
Quality of Life Project Bond (Refunded)-payable in increasing annual installments ranging from \$775,000 in 2006 to \$1,505,000 in 2016 with interest from 4% to 4.85%. (3111) (Issued \$14,000,000)	13,690,000		(710,000)	12,980,000	775,000
Muskegon County Mental Health Center Bonds (refunded) - Paid in full in 2005 (3141) (Issued \$1,625,000)	200,000		(200,000)	0	
<b>Building Authority Bonds:</b>					
Muskegon County Mental Health Center Bonds (refunded) - payable in 3 installments of \$175,000 in 2008 to 2010 with interest at 5.0% (3142) (Issued \$625,000)	525,000			525,000	

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2005</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
<b>Building Authority Bonds (continued):</b>					
Muskegon County Health Center Bonds - payable in decreasing annual installments ranging from \$145,000 in 2006 to \$140,000 in 2007 with interest from 4.30% to 4.35% (3143) (Issued \$1,255,000)	435,000		(150,000)	285,000	145,000
Muskegon County Hall of Justice Bonds-payable in increasing annual installments ranging from \$215,000 in 2006 to \$520,000 in 2022 with interest from 4.25% to 5.0% (3130) (Issued \$6,500,000)	<u>6,130,000</u>	<u>          </u>	<u>(205,000)</u>	<u>5,925,000</u>	<u>215,000</u>
Total Bonds Payable	30,055,000	0	(2,285,000)	27,770,000	1,460,000

County of Muskegon  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2005</u>	<u>Due within one year</u>
<u>Governmental Activities</u> - continued					
Land contract payable in monthly installments of \$3,033.20 including interest at 8% until August 2009 (6660) (Issued \$ 250,000)	147,556		(25,516)	122,040	27,634
Bond anticipation note payable on November 1, 2005 with interest at 2.5% (4640)		5,000,000		5,000,000	5,000,000
Installment note Payable in 60 monthly principal installments of \$24,775 plus interest at 4.12% until June 2009 (6660)	1,531,634		(300,174)	1,231,460	308,796
Installment note Payable in 60 monthly principal installments of \$44,100 plus interest at 3.34% until December 2008 (6660)	2,442,141		(542,934)	1,899,207	547,512
Installment note Payable in 60 monthly principal installments of \$44,100 plus interest at 3.34% until December 2008 (6660)		1,367,115		1,367,115	256,988
Sick leave and annual time payable as used or upon retirement or termination. (See Note 1(h) for limitations on payoff)(1010)	<u>6,401,902</u>	<u>4,100,239</u>	<u>(3,860,795)</u>	<u>6,641,346</u>	<u>3,900,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$40,578,233</u>	<u>\$10,467,354</u>	<u>(\$7,014,419)</u>	<u>\$44,031,168</u>	<u>\$11,500,930</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2005</u>	Due within <u>one year</u>
<u>Business-Type Activities</u>					
Bonds Payable					
<b>Revenue Bonds:</b>					
1989 Muskegon County Wastewater Management System No. 1 Bonds Refunded - paid in 2005 (3914) (Issued \$13,750,000)	\$1,650,000		(\$1,650,000)	\$0	
Wastewater Bond - payable in increasing annual installments ranging from \$170,000 in 2006 to \$850,000 in 2026 with interest from 3.5% to 5.00% (5935) (Issued \$17,000,000)	16,625,000		(390,000)	16,235,000	\$170,000
Wastewater Bond - payable in increasing annual installments ranging from \$2,130,000 in 2006 to \$2,090,000 in 2008 with interest at 5.00% (5936) (Issued \$6,990,000)	6,530,000		(200,000)	6,330,000	2,130,000
<b>Building Authority Bonds:</b>					
Muskegon County Fairgrounds - (Refunded) payable in decreasing annual installments to \$205,000 in 2006 to \$185,000 in 2009 with interest from 6.0% to 6.25% (5083) (Issued \$1,985,000)	995,000		(215,000)	780,000	205,000

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2005</u>	Due within <u>one year</u>
Muskegon County Airport Terminal - payable in increasing annual installments ranging from \$190,000 in 2006 to \$280,000 in 2013 with interest from 5.40% to 5.625% (5810) (Issued \$2,995,000)	<u>2,035,000</u>	<u>          </u>	<u>(180,000)</u>	<u>1,855,000</u>	<u>190,000</u>
Total Bonds Payable	27,835,000	0	(2,635,000)	25,200,000	2,695,000
<b>General Obligation Tax Notes</b>					
2002 - paid in full in 2005 (5162) (Issued \$9,000,000)	1,500,000		(1,500,000)	0	
2003 - payable in annual installment of \$1,500,000 in 2006 with interest at 3.0% (5163) (Issued \$9,000,000)	9,000,000		(7,500,000)	1,500,000	1,500,000
2004 - payable in annual installments of \$3,500,000 in 2006, \$4,000,000 in 2006, and \$1,500,000 in 2007 with interest at 4.0% (5164) (Issued \$9,000,000)	<u>          </u>	<u>9,000,000</u>	<u>          </u>	<u>9,000,000</u>	<u>7,500,000</u>
Total General Obligation Tax Notes	1,500,000	9,000,000	(9,000,000)	10,500,000	9,000,000



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

	Balance October 1, <u>2004</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2005</u>	Due within <u>one year</u>
Total Business-Type Activities long-term liabilities	<u>\$29,335,000</u>	<u>\$9,000,000</u>	<u>(\$11,635,000)</u>	<u>\$35,700,000</u>	<u>\$11,695,000</u>
Total all long-term liabilities	<u>\$69,913,233</u>	<u>\$19,467,354</u>	<u>(\$18,649,419)</u>	<u>\$79,731,168</u>	<u>\$23,195,930</u>

The special assessment bonds were issued by the county pursuant to contracts entered into with the City of Norton Shores, Egelston Township, Muskegon Township, Laketon Township, and Fruitport Township for the financing of additional sewage collection and disposal and water supply systems for the contractees. Under the terms of the agreements, the contractees are to pay the county each year amounts sufficient to provide for debt service. The full faith and credit of the county and that of the respective participating municipalities are pledged for repayment of the bonds.

The Muskegon County Wastewater Management System No. 1 Bonds issued are a general obligation (revenue) bond issue repayable from the proceeds of contract payments by participating users in the system. The full faith and credit of the county and that of participating municipalities are pledged for repayment of the bonds. The General Obligation tax notes are issued by the county to pay the various local units of government their respective share of delinquent property taxes. The notes are collateralized by the assets of the respective Delinquent Tax Revolving Funds (\$18,598,295 at September 30, 2005) and the full faith and credit of the county.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 7 - LONG-TERM DEBT - Continued

The General Obligation Debt of the county is issued to pay for the construction of a new Community Mental Health Center repayable from building leases and patient revenues. In addition, ad valorem taxes can be levied if revenues are not sufficient to cover debt service requirements. In 1995, the voters approved a 16 million General Obligation Bond issued in 1996 for renovation of an arts and sports complex. Millage of .47 mills has been levied for the repayment of the bonds through the last bond payment in the year 2016. The full faith and credit of the county is pledged for repayment of the bonds. County Building Authority Bonds were used to remodel the former Family Independence Agency building, to build a new County fairground, to build a new airport terminal, and to remodel the County Hall of Justice. Lease payments are pledged for the payment of annual debt service along with the full faith and credit of the county.

The total requirement for payment of principal and interest amount to \$79,731,168 and \$22,183,609, respectively, at September 30, 2005 as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006-2010	\$22,374,800	\$5,572,258	\$20,220,000	\$4,454,230
2011-2015	11,021,368	4,022,591	5,280,000	3,234,563
2016-2020	8,350,000	1,464,160	4,250,000	2,112,463
2021-2025	2,285,000	133,344	4,250,000	1,062,500
2026-2027	<u>0</u>	<u>0</u>	<u>1,700,000</u>	<u>127,500</u>
Total	<u>\$44,031,168</u>	<u>\$11,192,353</u>	<u>\$35,700,000</u>	<u>\$10,991,256</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 7 - LONG-TERM DEBT - Continued

Combined schedule of annual principal requirements for bonded debt outstanding at September 30, 2005

<u>Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Principal due every five years</u>
	<u>Special Assessments</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	
2006	\$325,000	\$775,000	\$360,000	\$2,300,000	\$395,000	\$9,000,000	
2007	325,000	850,000	365,000	2,420,000	400,000	1,500,000	
2008	375,000	925,000	415,000	2,545,000	400,000		
2009	375,000	1,005,000	430,000	850,000	410,000		
2010	425,000	1,095,000	445,000	850,000	235,000		29,795,000
2011	450,000	1,185,000	285,000	850,000	250,000		
2012	500,000	1,285,000	300,000	850,000	265,000		
2013	555,000	1,395,000	320,000	850,000	280,000		
2014	575,000	1,460,000	335,000	850,000			

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 7 - LONG TERM DEBT - Continued

<u>Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			Principal due every five years
	<u>Special Assessment</u>	<u>General Obligation</u>	<u>Building Authority</u>	<u>Revenue Bonds</u>	<u>Building Authority</u>	<u>Delinquent Tax Notes</u>	
2015	\$600,000	\$1,500,000	\$ 355,000	\$850,000	\$	\$	\$16,145,000
2016	625,000	1,505,000	375,000	850,000			
2017	650,000		400,000	850,000			
2018	700,000		420,000	850,000			
2019	775,000		445,000	850,000			
2020	800,000		470,000	850,000			11,415,000
2021			495,000	850,000			
2022			520,000	850,000			
2023				850,000			
2024				850,000			
2025				850,000			5,265,000
2026				850,000			850,000
Total all years	<u>\$8,055,000</u>	<u>\$12,980,000</u>	<u>\$6,735,000</u>	<u>\$22,565,000</u>	<u>\$2,635,000</u>	<u>\$10,500,000</u>	<u>\$63,470,000</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2005

NOTE 7 - LONG -TERM DEBT-Continued

The following fund balances represent long-term debt amounts available in other funds:

Governmental Type Funds	<u>\$1,760,627</u>
Designated for Debt Service	

NOTE 8 - PENSION PLAN

Plan Description

The County of Muskegon has a defined benefit pension plan for its employees that provides retirement, disability and death benefits to its members and beneficiaries. The plan is administered by the Municipal Employees Retirement System (MERS), an agent multiple employer pension plan created under Public Act 135 of 1945. MERS issues a publicly available financial report that includes financial statements and required supplemental information for the County. This report may be obtained by writing to MERS, 1134 Municipal Way, Lansing , Michigan, 48917, or by calling (517) 703-9030.

Funding Policy

Members are required to contribute from 0-6.28 % of their annual covered salary. The County is required to contribute at an actuarially determined rate; the average current rate is 8.0 % of annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners.

Annual Pension Cost

For 2005, the County's annual pension cost was \$3,445,079 with the full amount being paid. The required contribution was determined as part of the December 31, 2003 actuarial valuation, using the entry age actuarial cost method. The actuarial assumptions include: a) 8% Investment Rate of Return (net of administrative expenses) and b) projected salary increases of 4.5-8.66% per year. The actuarial value of the County MERS plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five year period. The County's actuarial accrued liability has been overfunded for the past five years. In year 2004, the County is underfunded. Any future unfunded liability would be amortized over the next 30 years. The amortization period is open.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

September 30, 2005

NOTE 8 - PENSION PLAN-Continued

Three Year Trend Information  
(Dollar Amounts in Thousands)

<u>Ending</u>	<u>Pension Cost (APC)</u>	<u>of APC Contributed</u>	<u>Obligation</u>
12/31/03	2,754	100%	0
12/31/04	3,207	100%	0
12/31/05	3,735	100%	0

Analysis of Funding Progress

Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Annual Covered Payroll	(6) Ratio of Unfunded (Funding excess) to Covered Payroll (4)/(5)
2002	\$ 119,175,186	128,480,021	93%	9,304,835	41,935,587	22 %
2003	126,002,635	139,437,442	90 %	13,434,807	42,359,877	32 %
2004	132,592,139	150,790,345	88 %	18,198,206	44,540,152	41 %

NOTE 9 - LEASES

The County leases certain office space and equipment under operating leases, which expire on various dates through 2005, with aggregate minimum monthly rentals of \$3,191. Rental expense under operating leases was \$883,237 for the year ended September 30, 2005.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the combined statements - Overview, of certain information concerning individual funds including:

(a ) Individual fund interfund receivable and payable balances. Such balances at September 30 were:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund (1010)	\$5,419,525	Co-Op Reimb. Pros. (1150)	\$45,626
		Emergency Services (1190)	457,278
		Marine Safety (1200)	42,730
		Sheriff Road Patrol (1210)	139,296
		Friend of the Court (2150)	687,521
		W M E T (2670)	2
		TAA/NAFTA (2733)	24,706
		MI WECAN (2744)	89
		Regional Skills Alliances (2747)	49,214
		Economic Development Job Training (2750)	41,996

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Work First (2751)	422,380
		WIA Admin Pool (2760)	10,255
		WIA Youth Program (2762)	103,352
		WIA Youth Statewide (2766)	1,245
		WIA Service Center Operations (2767)	2,658
		Reed Act Funds (2769)	82,089
		Crime Victim's Rights (2800)	36,572
		Community Gun Violence (2832)	34,453
		Remonumentation Program (2890)	12,049
		Brookhaven (2900)	979,130



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

(a) Individual fund interfund receivable and payable balances - continued

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
		Child Care Facility (2920)	444,506
		Veterans Trust (2940)	<u>14,151</u>
		<b>Subtotal Governmental</b>	<b><u>3,631,298</u></b>
		Delinquent Tax Revolving (5100)	38,006
		Tax Forfeitures (5110)	3,365
		Muskegon County Airport (5810)	1,149,022
		Muskegon Area Transit System (5880)	<u>597,834</u>
		<b>Subtotal Proprietary</b>	<b><u>1,788,227</u></b>
	<u><u>\$5,419,525</u></u>		<u><u>\$5,419,525</u></u>

The interfund balances are mainly cash loans to funds until Federal and State grant reimbursements are received.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances. Such balances at September 30 were:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General (1010)	\$4,136,382	\$10,594,139
Co-Op Reimb.-Pros. (1150)	101,341	
Next Gen Implementation (1170)	144,811	
Emergency Services (1190)	204,166	
Marine Safety (1200)	49,786	
School Liaison (1230)	6,391	
Township Patrols (1240)	135,508	
Prosecutor Family Court (2140)	152,350	
Friend of the Court (2150)	1,546,457	
Health Department (2210)	1,744,768	
Community Mental Health (2220)		172,314
Managed Care (2222)	742,665	
Accommodations Tax (2300)		106,595
Parks Development (2411)	250,760	
Budget Stabilization (2570)	350,000	
Law Library (2610)	20,747	
Community Corrections (2640)	456,624	

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
W M E T (2670)		18,917
Library (2710)	378,973	
Crime Victim's Rights (2800)	4,466	
Juv. Account. Incent. BG (2831)	6,427	
Community Gun Violence (2832)	80,885	
Revenue Sharing Reserve (2850)		3,156,503
Remonumentation Prog. (2890)	8,004	
Social Services (2910)	10,016	
Child Care Facility (2920)	2,980,714	
C.E.D.C. (2960)	377	
Hall of Justice (3130)	487,129	
Hall of Justice (4130)	13,247	13,901
Northside Water- Mi Adv. (4150)	224,386	
Public Improvement (4930)	314,347	18,943
Fairgrounds Operations (5083)	257,232	
Delinquent Tax Revolving (5162)		6,723,651
Delinquent Tax Revolving (5163)	6,723,651	1,709,046

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

b) Transfers in (out) balances - continued

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Solid Waste Mgmt (5710)		250,760
Muskegon County Airport (5810)	1,174,608	18,348
Muskegon Co. Airport capital contributions (5810)	5,696	
Northside Water O & M (5910)		641,377
Equipment Revolving (6660)	13,901	
Drain Project (8010)	56,302	
Water and Sewer Debt (3650)	<u>641,377</u>	
	<u>\$23,424,494</u>	<u>\$23,424,494</u>

The transfers are primarily from the General fund to support Federal and State grant programs

c) Excess of expenditures over budget in individual funds

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Park Fund (2080)	\$567,066	\$573,670
Managed Care (2222)	45,504,976	45,974,529
Family Court Re-entry Initiative (2152)	189,463	202,989
Health Department (2210)	7,393,939	8,454,468
Parks Development (2411)	427,184	429,593
Workfirst (2751)	3,132,859	3,323,951
WIA Service Center Operations (2767)	0	3,438
Reed Act Funds (2769)	660,832	702,994
Child Care Facility (2920)	5,787,779	5,934,854
W M E T (2670)	318	354

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - continued

c) Excess of expenditures over budget in individual funds - continued

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>
Veterans Trust (2940)	22,749	24,028
Victim Restitution (2980)	7,000	7,472
Psychiatric Facility Debt (3141)	205,096	205,396

All expenditures over appropriations have either been paid by excess revenues, operating transfers from other funds or by the reductions of current fund balance.

d) Individual fund advances to and from other funds

<u>Fund</u>	<u>Advances to other funds</u>	<u>Advances from other funds</u>
General Fund (1010)	\$588,618	
Solid Waste (5710)	71,402	
Muskegon County Airport (5810)		\$1,135,937
Drain Revolving (6010)		21,500
Equipment Revolving (6660)		638,520
Insurance (6770)	<u>1,135,937</u>	
	<u>\$1,795,957</u>	<u>\$1,795,957</u>

All advances are for capital purchases in the Airport and Equipment revolving funds that will be repaid as funds are made available in the respective funds receiving the advances. The Drain Revolving fund advance will only be repaid if the activities in these funds cease to occur or management determines that there is a better way to handle the activities.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 11- COMMITMENTS

The County has two \$1,000,000 letters of credit with a local financial institution to cover any possible shortfalls in the County's coverage of the solid waste and fly ash landfills. The statutory authority for these obligations is PA Act 451 of 1994, Section 324.11523 (a).

NOTE 12- OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the County provides post-retirement health care benefits, in accordance with County policies, to all employees who retire from the County on or after attaining the age of 55 with at least 15 years of service. Currently 354 retirees meet those eligibility requirements. The County pays up to 100 percent of the amount of premium (depending on length of service at time of retirement) for medical and hospitalization costs and reimburses retirees for a portion of their dental costs. The County also pays 100 percent of the premium for a Medicare supplement for each retiree eligible for Medicare. Expenditures for post-retirement health care benefits are recognized as retirees report claims and as invoices are received from the insurance carrier. A separate trust fund has been established and funded for the continued payment of these benefits for retirees. During the year, expenditures of \$3,285,924 were recognized for post-retirement health care. The amount of net assets available in the trust fund for future benefit payments was \$13,842,777 as of September 30, 2005.

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees and the public; and natural disasters. The County has a self-insurance (internal service) fund to account for and finance its uninsured risk of losses. Under this program, the self-insurance fund provides coverage for up to a maximum of \$300,000 for each Workers' Compensation claim, \$250,000 for each general liability claim, \$50,000 for each property damage claim, \$100,000 for each auto claim and the County is partially self-insured for medical costs with a lifetime maximum exposure of \$1 million per participant. The County purchases commercial insurance for claims in excess of the stated coverages and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the County participate in the program and make payments to the self-insurance fund based on experience estimates of the amounts needed to pay prior and current year claims and to establish a designation for catastrophic losses with the exception of Brookhaven Workers' Compensation claims which are funded directly by the department on actual claims paid. The designated amount at September 30, 2005 was \$5,760,003. The claim's liability of \$5,888,038 reported in the fund at September 30, 2005, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

Changes in the funds claims liability amount in fiscal 2004 and 2005 were:

	<u>Beginning of year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim Payments</u>	<u>Balance at end of year</u>
2004	3,849,502	8,308,996	(8,243,994)	3,914,504
2005	3,914,504	13,497,816	(11,524,282)	5,888,038

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its Solid Waste landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfills stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$8 million reported as landfill closure and post-closure care liability at September 30, 2005 represents the cumulative amount reported to date based on the use of 51 percent of the estimated capacity of the landfills. The remaining life of the landfill is estimated to be 13 years. The County will recognize the remaining estimated cost of closure and post-closure care of the total \$15.9 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2005. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

	<u>Beginning of year liability</u>	<u>Current year changes in estimates</u>	<u>Balance at end of year</u>
2005	\$8,989,620	(\$919,032)	\$8,070,588

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 14 - CLOSURE AND POST-CLOSURE CARE COST - continued

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance unanticipated closure and post-closure care. The County is in compliance with these requirements at September 30, 2005. The County expects that future inflation costs will be paid from interest earnings in the Solid Waste Funds. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by the trust fund set up for this purpose.

NOTE 15 - DISCRETE ENTITY NOTES

The following note relates to the Muskegon County Road Commission notes as they appear in their report. The notes are presented here to assure fair disclosure for those items as they appear in this comprehensive annual financial report.

(a) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Compensated Absences

The road commission accrues unused portions of vacation pay in the period the fund liability is incurred. As permitted by GASB 16, the vesting method is used to accrue the sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are currently eligible to receive termination payments as well as other employees who are expected to become eligible to receive such payments. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, a liability for these amounts is reported in the governmental fund only for employee terminations as of year end.

(b) CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the commission's deposits was \$7,169,381 and the bank balance was \$7,269,381. Of the bank balance, \$100,000 was covered by federal depository insurance and \$7,169,381 was exposed to custodial credit risk as it was uninsured and uncollateralized.

Investments: The road commission place no limit on the amount it may invest in any one insurer. More than 5% of the road commission's investments are in Huntington National Bank money market accounts. This investment is 100% of the road commission's total investments.



County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 15 - DISCRETE ENTITY NOTES - Continued

c) FIXED ASSETS

A summary of changes in capital assets for the year follows:

	Balance October 1, <u>2004</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>2005</u>
Capital Assets not being depreciated				
Land and improvements	\$17,705,619	\$1,116,095	\$ -	\$18,821,714
Construction in progress	<u>2,557,506</u>	<u>290,767</u>	<u>2,509,177</u>	<u>339,096</u>
Total Capital Assets not being depreciated	<u>20,263,125</u>	<u>1,406,862</u>	<u>2,509,177</u>	<u>19,160,810</u>
Capital Assets being depreciated				
Buildings and improvements	3,890,436	5,985	-	3,896,421
Road equipment	8,242,929	457,642	271,767	8,428,804
Other equipment	2,142,705	840,574	82,916	2,900,363
Infrastructure and improvements	<u>49,104,371</u>	<u>5,995,181</u>	<u>-</u>	<u>55,099,552</u>
Total capital assets depreciated	63,380,441	7,299,382	354,683	70,325,140
Less accumulated depreciation for:				
Buildings and improvements	(1,904,764)	(136,993)	-	(2,041,757)
Road equipment	(6,960,884)	(537,505)	(271,567)	(7,226,822)
Other equipment	(1,505,581)	(103,558)	(82,916)	(1,526,223)
Infrastructure and improvements	<u>(22,320,194)</u>	<u>(2,327,830)</u>	<u>-</u>	<u>(24,648,024)</u>
Total accumulated depreciation	<u>(32,691,423)</u>	<u>(3,105,886)</u>	<u>(354,483)</u>	<u>(35,442,826)</u>
Total capital assets, being depreciated, net	<u>30,689,018</u>	<u>4,193,496</u>	<u>200</u>	<u>34,882,314</u>
Capital Assets, net	<u>\$50,952,143</u>	<u>\$5,600,358</u>	<u>\$2,509,377</u>	<u>\$54,043,124</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 15 - DISCRETE ENTITY NOTES - Continued

(d) Depreciation expense was charged to functions as follows:

Primary road	\$ 1,155,965
Local Road	1,858,860
State trunkline	70,847
Administrative	<u>20,214</u>
Total depreciation expense	<u>\$ 3,105,886</u>

(e) LONG-TERM DEBT

Long-term debt consisted of the following as of September 30, 2005:

\$1,800,000 Michigan Transportation Fund Notes, Series 2004; due in annual installments of \$200,000 through 2014; interest at 3.00% to 4.00% (unamortized premium \$12,659).	\$1,812,659
Long Term Compensated Absences	<u>289,962</u>
Total governmental activities long-term liabilities	<u>\$2,102,621</u>

A summary of bonds and loans and long-term compensated absences transactions for the year ended September 30, 2005 follows:

Balance at beginning of year	\$2,297,503
Additions	337,406
Deductions	<u>(532,288)</u>
Balance at end of year	<u>\$2,102,621</u>

County of Muskegon

NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED

September 30, 2005

NOTE 16- RECONCILIATION OF CAPITAL OUTLAY

Capital outlay expenditures for governmental funds differ from amounts capitalized. The differences are detailed as follows:

Total capital purchases as reported in the governmental funds :	\$3,918,259
Adjustments	
Prior year purchases	152,000
Capital projects not County owned	(3,163,364)
Timing differences	0
Internal Service purchases	<u>3,096,974</u>
Net Assets capitalized	<u>\$4,003,869</u>

NOTE 17 - RESTATED NET ASSETS - BEGINNING OF YEAR

In 2005, the County found an error in the expensing of a fixed asset in 2004 in a major proprietary fund, Solid Waste. A total of \$410,876 in building costs has been removed from the beginning net assets for the Solid Waste fund changing the "net assets at beginning of year" from \$8,326,120 to \$8,736,996.

In 2005, the Muskegon County Road Commission implemented GASB Statement 34 for inclusion of infrastructure assets acquired or constructed as of October 1, 2000. Effective October 1, 2004, the road commission recorded the infrastructure. The resultant change in net assets of \$29,323,062 caused the beginning net assets amount to change from \$28,568,241 to \$57,891,303.

NOTE 18 -OPEN STATE AUDIT-CMH

The State of Michigan issued an audit report for Community Mental Health for prior years indicating an amount due back to the State of \$4.3 million. The County disagrees with a majority of the findings. With the appeal process and contemplated court action, it could be a number of years before the audit is finalized and the amount of payback is actually determined. As such, only an amount of \$317,999 has been accrued as payable from the General Fund to the State for those items the County has agreed to refund.

## Required Supplementary Information

### County of Muskegon

*Schedule of Revenues, Expenditures and Changes in  
Fund Balances - Budget and Actual  
General and Major Special Revenue Funds  
Year Ended September 30, 2005*

	General Fund - 1010				Community Mental Health - 2220			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ 24,170,758	\$ 22,336,716	\$ 22,347,307	\$ 10,591	\$ -	\$ -	\$ -	\$ -
Licenses and permits	20,000	26,025	25,955	(70)	-	-	-	-
Operating grants and contributions	5,079,850	2,168,171	2,199,657	31,486	4,446,995	3,610,449	3,712,934	102,485
Charges for services	9,358,373	9,160,373	9,374,085	213,712	12,539,442	12,873,922	12,617,300	(256,622)
Fines and forfeitures	780,000	735,000	736,911	1,911	-	-	-	-
Investment income	350,000	500,000	522,568	22,568	87,500	87,500	84,492	(3,008)
Rentals	161,867	131,723	114,289	(17,434)	-	-	-	-
Contributions from private sources	175,000	1,761	1,761	-	1,038,200	1,039,724	1,017,654	(22,070)
Other	438,025	946,659	965,732	19,073	583,079	712,397	742,292	29,895
<b>Total revenues</b>	<b>40,533,873</b>	<b>36,006,428</b>	<b>36,288,265</b>	<b>281,837</b>	<b>18,695,216</b>	<b>18,323,992</b>	<b>18,174,672</b>	<b>(149,320)</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	414,282	413,143	408,142	5,001	-	-	-	-
Judicial	6,652,711	6,571,358	6,410,348	161,010	-	-	-	-
General County government	13,270,211	12,897,217	12,197,354	699,863	-	-	-	-
Public safety	9,573,326	9,713,189	9,690,229	22,960	-	-	-	-
Health	-	-	-	-	18,733,187	18,274,544	17,765,410	509,134
Welfare	-	-	-	-	-	-	-	-
Culture	141,462	138,494	122,987	15,507	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	921,733	619,473	615,177	4,296	-	-	-	-
Capital outlay	47,500	76,399	28,621	47,778	34,500	34,500	15,396	19,104
<b>Total expenditures</b>	<b>31,021,225</b>	<b>30,429,273</b>	<b>29,472,858</b>	<b>956,415</b>	<b>18,767,687</b>	<b>18,309,044</b>	<b>17,780,806</b>	<b>528,238</b>
<b>Revenues over (under) expenditures</b>	<b>9,512,648</b>	<b>5,577,155</b>	<b>6,815,407</b>	<b>1,238,252</b>	<b>(72,471)</b>	<b>14,948</b>	<b>393,866</b>	<b>378,918</b>
<b>Other financing sources (uses)</b>								
Sales of Fixed Assets	16,000	5,300	5,300	-	-	-	-	-
Transfers in	1,501,617	4,432,418	4,136,382	(296,036)	72,471	-	-	-
Transfers (out)	(11,030,265)	(9,999,494)	(10,594,139)	(594,645)	-	(127,002)	(172,314)	(45,312)
	(9,512,648)	(5,561,776)	(6,452,457)	(890,681)	72,471	(127,002)	(172,314)	(45,312)
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>15,379</b>	<b>362,950</b>	<b>347,571</b>	<b>-</b>	<b>(112,054)</b>	<b>221,552</b>	<b>333,606</b>
<b>Fund balance at beginning of year</b>	<b>7,486,407</b>	<b>7,486,407</b>	<b>7,486,407</b>	<b>-</b>	<b>846,691</b>	<b>846,691</b>	<b>846,691</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 7,486,407</b>	<b>\$ 7,501,786</b>	<b>\$ 7,849,357</b>	<b>\$ 347,571</b>	<b>\$ 846,691</b>	<b>\$ 734,637</b>	<b>\$ 1,068,243</b>	<b>\$ 333,606</b>

# County of Muskegon

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (continued) General and Major Special Revenue Funds Year Ended September 30, 2005

	Managed Care - 2222				Brookhaven Medical Care Facility - 2900			
	Original Budget	Final Budget	Actual	Difference (+/-)	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Operating grants and contributions	2,888,719	3,961,838	3,566,044	(395,794)	-	-	-	-
Charges for services	38,902,837	39,156,732	39,890,342	733,610	12,144,403	20,232,399	20,049,819	(182,580)
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	37,700	37,700	15,399	(22,301)	1,000	1,000	55	(945)
Rentals	-	-	-	-	15,000	19,200	16,240	(2,960)
Contributions from private sources	684,556	652,156	654,694	2,538	150	150	47	(103)
Other	815,722	994,697	1,088,113	93,416	200	200	652	452
<b>Total revenues</b>	<b>43,329,534</b>	<b>44,803,123</b>	<b>45,214,592</b>	<b>411,469</b>	<b>12,160,753</b>	<b>20,252,949</b>	<b>20,066,813</b>	<b>(186,136)</b>
<b>Expenditures</b>								
<b>Current operations</b>								
Legislative	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	43,981,821	45,490,476	45,961,793	(471,317)	12,065,569	20,164,864	20,068,472	96,392
Welfare	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Capital outlay</b>	<b>14,500</b>	<b>14,500</b>	<b>12,736</b>	<b>1,764</b>	<b>75,000</b>	<b>77,200</b>	<b>-</b>	<b>77,200</b>
<b>Total expenditures</b>	<b>43,996,321</b>	<b>45,504,976</b>	<b>45,974,529</b>	<b>(469,553)</b>	<b>12,140,569</b>	<b>20,242,064</b>	<b>20,068,472</b>	<b>173,592</b>
<b>Revenues over (under) expenditures</b>	<b>(666,787)</b>	<b>(701,853)</b>	<b>(759,937)</b>	<b>(58,084)</b>	<b>20,184</b>	<b>10,885</b>	<b>(1,659)</b>	<b>(12,544)</b>
<b>Other financing sources (uses)</b>								
Sales of Fixed Assets	4,500	4,500	17,272	12,772	-	-	-	-
Transfers in	662,287	697,353	742,665	45,312	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
	<b>666,787</b>	<b>701,853</b>	<b>759,937</b>	<b>58,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,184</b>	<b>10,885</b>	<b>(1,659)</b>	<b>(12,544)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277,978</b>	<b>277,978</b>	<b>277,978</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 298,162</b>	<b>\$ 288,863</b>	<b>\$ 276,319</b>	<b>(\$ 12,544)</b>

## **Required Supplementary Information**

### ***County of Muskegon***

***September 30, 2005***

#### **Budgetary Information**

Through its budget, the County allocates resources and establishes priorities based on submissions of requests by its departments and outside agencies. An annual budget assures that the County uses its limited resources efficiently and effectively. The budget also assures that its highest priority projects are completed. The budgetary basis of accounting is GAAP.

The annual budget serves from October 1<sup>st</sup> to September 30<sup>th</sup> of each year. It establishes the base for sound financial planning. It also provides performance measures and controls to permit the evaluation and adjustment of County resources as the need arises.

The County of Muskegon's budget has four major categories; personnel, supplies, services, and capital outlay. Personnel, supplies and services are recurring expenses (operational) while capital outlay are expenditures that are one time in nature. The capital outlay costs are for those items of a permanent nature that have a unit cost of \$1,000 or more.

The budgetary process starts in February when departments receive budget worksheets with assumptions that project expenses for the coming year. Departments add/change/modify these worksheets based on changing priorities and submit them to the budget department. The budget department reviews the worksheets for accuracy, and in conjunction with administration, suggest changes based on priorities as defined by the Board of Commissioners and revenue constraints. After administration review, departments go before the Board in a public meeting to discuss its priorities. In August, a draft budget is sent to the Ways and Means committee for final review. In August or September, the Board approves the final budget for the coming fiscal year.

#### **Budgetary highlights**

The original budget estimated a 3% increase in salaries. The actual increase was only 2.4%.

Interest rates increased beyond expectations. This caused an increase in expected revenue of \$750,000.

The State revenue sharing funds of \$2,976,000 were eliminated with an acceleration of collection in property taxes resulting in an increase of \$3,156,000.

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2005*

### **Budgetary amendments to the original budget**

During the year, events occurred that caused our priorities to shift and therefore our budget to be modified. Some of the significant items were:

#### **General Fund**

- An increase in the Register of Deeds revenue budget of \$75,000 resulting from increased activity in the real estate and refinancing markets.
- The Gypsy Moth program of \$350,000 was eliminated due to low egg mass population.
- A decrease in the administrative cost reimbursement of \$345,000 due to corrections in the cost plan discovered during a previous State audit.
- The original budget projected an 18% increase in health care costs. The actual increase was 4.5%
- Increased the inmate health care line in the Sheriff's budget by \$150,000 because of larger than expected medical costs.
- The Headley override request failed voter approval and \$1,700,000 had to be removed from the budget.

## **Required Supplementary Information - continued**

*County of Muskegon*

*September 30, 2005*

### **Other Funds**

The expenditures over budget in the Managed Care fund were covered by additional fund transfers.

Fund description	Budget	Actual
Managed Care (2222)	\$45,504,976	\$45,974,529

Expenditures in the departments of the General Fund were covered either by additional revenue or by reduction of fund balance



**Required Supplementary Information**

***County of Muskegon***

***Municipal Employees Retirement System of Michigan***

***Schedule of Funding Progress***

***Year ended September 30, 2005***

Actuarial Valuation Date	Actual Asset Value	Entry Age Actuarial Accrued Liability	UnderFunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UnderFunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll Payroll
12/31/02	119,175,186	128,480,021	9,304,835	92.8%	41,935,587	22 %
12/31/03	126,002,635	139,437,442	13,434,807	90.4%	42,359,877	32 %
12/31/04	132,592,139	150,790,345	18,198,206	87.9%	44,540,152	41 %

## ***County of Muskegon***

### ***Budget and actual by Department - General Fund***

***Year Ended September 30, 2005***

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
101 Board of Commissioners	\$ 414,282	\$ 413,143	\$ 408,142	\$ 5,001
131 Circuit Court	1,262,057	1,278,081	1,186,352	91,729
136 District Court	3,388,185	3,268,611	3,231,390	37,221
137 Probation Cobo Hall Tax	148,789	148,275	159,131	(10,856)
145 Jury Commission	32,475	33,100	31,912	1,188
148 Probate Court	714,875	722,632	691,525	31,107
151 State Probation	80,884	76,045	68,301	7,744
164 Public Defender	994,148	1,015,825	1,005,799	10,026
171 Administration	900,284	889,714	881,514	8,200
191 Elections	159,407	244,622	161,244	83,378
201 Accounting	619,277	562,286	546,768	15,518
210 Corporate Counsel	343,552	389,907	313,167	76,740
215 County Clerk	414,909	403,962	399,582	4,380
216 Circuit Court Records	428,903	424,177	429,518	(5,341)
225 Equalization	1,602,245	1,473,670	1,462,714	10,956
226 Human Resources	453,806	453,812	443,675	10,137
229 Prosecutor	1,900,316	1,904,994	1,877,624	27,370
233 Purchasing	251,821	253,399	251,850	1,549
236 Register of Deeds	566,456	554,478	522,087	32,391
242 Training Center	59,841	59,870	52,177	7,693
248 Stark Hall	27,024	25,272	23,054	2,218
252 Transfers	1,097,164	1,472,477	1,380,775	91,702
253 Treasurer	697,530	719,072	709,006	10,066
260 Shady Grove Cemetery	4,139	2,905	3,247	(342)
262 Pere Marquette Depot	-	-	10	(10)

## ***County of Muskegon***

### ***Budget and actual by Department - General Fund (continued)***

***Year Ended September 30, 2005***

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Difference (+/-)</b>
263 Cordova Site O&M	\$ 28,068	\$ 20,950	\$ 15,655	\$ 5,295
265 Courthouse and Grounds	980,961	1,005,481	879,267	126,214
266 Information Services	77,875	77,825	81,367	(3,542)
268 Oak Ave. Building	125,867	114,723	106,516	8,207
269 Harris Building	46,816	47,042	42,521	4,521
271 County Jail Building	301,869	315,873	288,668	27,205
273 Heritage Landing O&M	186,100	201,648	122,778	78,870
275 Drain Commissioner	260,071	276,720	261,536	15,184
284 Plat Board	916	916	295	621
285 Gypsy Moth	350,000	-	-	-
297 Vehicle Pool	14,160	17,660	20,429	(2,769)
301 Sheriff Operations	4,032,666	4,051,997	4,070,001	(18,004)
305 Sheriff Administration	375,161	379,840	379,671	169
320 Officer Training Act 302	12,000	13,000	3,294	9,706
350 Correction Officer Training	70,000	70,000	51,134	18,866
351 Sheriff Jail	5,088,499	5,209,506	5,197,662	11,844
650 State Institutions	169,747	169,747	126,359	43,388
731 MSU Extension	141,462	138,494	122,987	15,507
941 Misc Contingency	1,394,201	726,238	721,371	4,867
959 Information Systems	802,417	801,284	740,783	60,501
Totals	\$31,021,225	\$30,429,273	\$29,472,858	\$956,415

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds account for specific activities (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Cooperative Reimbursement-Prosecutor (1150)--to account for monies granted to the county by the Michigan Family Independence Agency for the prosecuting attorney's department to provide services to aid ADC recipients in accordance with the HHS approved state plan to establish paternity and securing child support.

Next Generation Implementation (1170)- - to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of installing an information center and central calendar system with an increase in collections initiative.

Emergency Services (1190)--to account for monies granted to the county by the state and appropriated from the General Fund for the purpose of maintaining a department to provide essential services during emergency or disaster conditions.

Marine Safety (1200)--to account for monies granted to the county by the Department of Natural Resources and appropriated from the General Fund for the purpose of establishing a comprehensive marine safety program in the county and to provide sheriff's patrol and protection for the county's Lake Michigan shoreline and inland lakes and waterways.

Sheriff Road Patrol (1210)--to account for monies granted to the county by the state for the purpose of providing additional car miles of traffic safety enforcement, emergency assistance, safety inspection and accident prevention patrol of roads and parks as described in P.A. 416 of 1978.

School Liaison (1230)--to account for monies granted by the federal government in providing salary and benefits for an office to work with Ravenna Public Schools.

Township Patrols (1240)--to account for monies received by the county from participating townships to provide enhanced road patrol protection to those geographic areas.

Park Fund (2080)--to account for monies received by park fees and vehicle permits and county appropriations for operation and administration of all park lands and properties in Muskegon County.

Prosecutor Family Court (2140)--to account for monies received by the county from the Family Independence Agency to hire personnel who are assigned to the Family Court Division to represent children in abuse/neglect cases.

Friend of the Court (2150)--to account for monies received by Muskegon County from state grants. The money is used to assist in establishing paternity and securing child support payments.

Family Court Re-Entry Initiative (2152)--to account for monies received by Muskegon County from state grants. The money is used to reduce the placement of juveniles in youth homes and bring them back into the community faster.

Health Department (2210)--to account for monies received by Muskegon County from federal and state grants. The Health Department is a large complex system servicing county residents by providing numerous programs. Some examples are: environmental health, air pollution, communicable disease, alcohol prevention, dental care, maternity care, family planning, personal health and nurses support.

Accommodations Tax (2300)--to account for the collection and related expenses connected with a five percent excise tax which is imposed on all persons engaged in the business of providing rooms for transient guests within the County of Muskegon. It has been adopted pursuant to Act No. 263, Public Acts of the State of Michigan, 1974 and an ordinance adopted by the Muskegon County Board of Commissioners on February 20, 1981.

Parks Development (2411)--to account for monies received by Muskegon County from state and local grants to finance improvements to various county parks.

Deed Automation Fund (2560)--to account for fees collected to enhance and maintain technology in the register of deeds office.

Budget Stabilization (2570)--to account for monies appropriated from the county for the purpose of maintaining the current level and quality of public service. Funds are to be used only in the occurrence of an identified shortfall during any single budget period.

Law Library (2610)--to account for monies set aside for the purpose of maintaining a law library.

Community Corrections (2640)--to account for monies granted to the county by the state to provide alternatives such as tethers, bail screening and additional probation and alleviate jail overcrowding problems.

WMET (2670)--to account for monies earmarked to provide drug law enforcement under the provisions of Public Act 135 of 1985.

TNT Drug (2671)--to account for proceeds of forfeited property seized in connection with a violation of the controlled substance statutes. These funds are set aside for drug law enforcement.

Library (2710)--to account for monies which are set aside for the county library. The county library was established in 1938, under Act 138 of PA 1917, and operates nine branches to promote the development of county citizens. County appropriations, state grants and district court penal fines account for the major revenues in this fund.

Wagner Peyser (2731)--to account for monies for recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge and skills.

TAA/NAFTA (2733)--to account for federal pass-through monies that provide training and economic assistance to workers dislocated as a result of increased foreign trade.

Reemployment Services (2738)--State funds used to provide services to companies to help employ laid off workers from their organization.

MI WECAN (2744)-to account for federal pass-through funds from the state received by the county used to improve the access to and the provision of adult basic education and literacy services through the innovative use of distance learning technologies.

Regional Skills Alliance (2747)-to account for federal pass-through funds from the state received by the county used to address the workforce development needs of health care entities covering a twelve county geographic area.

Economic Development Job Training (2750)--to account for state grant monies to expand educational opportunities, encourage the creation of new jobs, retain existing workers in a changing workplace and strengthen the State of Michigan's economic base.

Workfirst (2751)--to account for federal pass-through funds from the Michigan Family Independence Agency to provide occupational skilled training for Muskegon and Oceana county adults.

Food Stamp Program (2759)--to account for monies that provide work activities for those who would otherwise lose food stamp assistance because of the time limits imposed under welfare reform legislation.

WIA Admin Pool (2760)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana Counties under the Workforce Investment Act. These funds are targeted for training and employment programs for the unemployed and economically disadvantaged citizens of Muskegon and Oceana counties.

WIA Adult Program (2761)--to account for federal pass-through funds from the state received by the county as a prime sponsor for Muskegon and Oceana counties under the Workforce Investment Act. These funds are targeted for training and employment of economically disadvantaged adults.

WIA Youth Programs (2762)--federal funds used pursuant to the goals of the local community and Workforce Investment Act to provide youth opportunities for assistance in both academic and occupational learning; developing leadership skills; and preparing for further educational opportunities, additional training, and eventual employment.

WIA Dislocated Worker Program (2763)--federal funds used in coordination with unemployment compensation, Trade Adjustment Assistance and Rapid Response assistance to provide the dislocated worker population job finding, placement, and re-employment services.

Strategic Planning (2765)--to account for monies granted to the county from the State of Michigan for the development of an integrated strategic plan that addresses the successful achievements of multiple goals of Muskegon County.

WIA Youth Statewide (2766)--funds allocated by the state to supplement WIA Youth Program activities.

WIA Service Center Operations (2767)--to account for federal pass-through funds from the state received by the county used to support the activities of local one stop service centers.

Incumbent Worker Program (2768)--to account for federal pass-through funds for assistance to companies in averting layoffs by providing upgraded skills and training to current employees.

Reed Act Funds (2769)--to account for federal pass-through funds to supplement a portion of the existing Work First and Service Center Operations.

Crime Victims' Rights (2800)--to account for federal and state funds received by the county to pay for coordinators to work with and support victims of a crime. The coordinators advise victims of their rights, make referrals to appropriate counseling agencies, if necessary, and acts as a liaison between the victim and the criminal justice system.

Comp Strategy Implementation Grant (2821)--to account for monies received from the state to fill in gaps in support for youth identified in the restorative justice program.

Juvenile Accountability Incentive Block Grant (2831)--to account for monies to hire personnel to prosecute for juvenile crimes. Remaining funds will cover drug testing for adjudicated individuals, training, substance abuse assessments and group treatment.

Community Gun Violence (2832)--to account for federal pass-through funds for developing and sharing information on crimes involving guns across local, state and federal information systems

Revenue Sharing Reserve (2850)--to account for property tax revenues created by shifting the County operating tax levy from December to July over a three year period. State Revenue Sharing and SBT payments were eliminated in the State's fiscal year 2005 budget and this reserve fund represents a temporary replacement of that revenue stream to the General Fund until 2011.

EDC Loan Revolving (2860)--to account for monies granted from the State of Michigan Department of Commerce to accommodate loans made by the County of Muskegon Economic Development Commission to area businesses for expansion of those businesses.

Rambusch-Fuchs CDBG Grant (2873)--to account for monies from the federal government for use in the construction of a commercial lighting company in the County of Muskegon.

Remonumentation Program (2890)--to account for grants received from the State of Michigan for surveying and reestablishing section corners.

Social Welfare (2910)--to account for state funds for providing assistance in housing, food and child care for the indigent population in Muskegon County

Child Care Facility (2920)--to account for state grant monies and county appropriations to aid children who need to be placed outside their homes, supporting a centralized care facility for children and the support of foster children in foster care homes.

Veteran's Trust (2940)--to account for monies received from the state to aid U.S. military veterans who are residents of the State of Michigan and County of Muskegon.

C.E.D.C. (2960)-to account for monies received from the County General Fund for the primary purpose of encouraging business expansion in the County.

Mental Health Buildings (2970)--to record the revenues received from Hackley Hospital and Community Mental Health for use in maintaining the Community Mental Health Building.

Victim Restitution (2980)--to account for fines from juvenile traffic offenders and used to repay victims for property damaged by those juveniles.

### **DEBT SERVICE FUNDS**

Debt services funds are permitted rather than required. The funds listed here are required because financial resources are being accumulated for principal and interest payments maturing in future years.

Quality of Life Debt (3110/ 3111)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Frauenthal Center and Walker Arena renovations.

Hall of Justice Debt (3130)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Hall of Justice.

Psychiatric Facility Debt (3141)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the psychiatric facility.

Halmond Center Debt (3142/3143)--to account for the accumulation of resources and the payment of general long-term debt principal and interest associated with the Halmond Center.



## **CAPITAL PROJECTS FUNDS**

The use of capital project funds is permitted rather than required. Capital project funds are used to report major capital acquisitions or construction separately from the County's ongoing operations. Capital projects for proprietary and trust funds are reported within their respective funds.

Hall of Justice (4130)--to account for revenues and expenditures associated with the renovation of the building previously known as the County Building into a Hall of Justice.

Northside Water-Michigan Adventure (4150)--to account for revenues and expenditures to build water and sewer lines to a major amusement park.

Heritage Landing (4180)--to account for revenues and expenditures associated with the improvement and development of the county's lakefront property.

Fruitport/Norton Shores Sewer Project (4618)--to account for revenues and expenditures for constructing a water supply system facility to serve property in the Fruitport Charter Township and the City of Norton Shores located in the County of Muskegon.

Muskegon Township Sewer/Water (4640)--to account for revenues and expenditures for extending a water and sewer supply system facility to serve property in Muskegon Charter Township located in the County of Muskegon.

Public Improvement (4930)--established by appropriation from the county's General Fund for future general projects developed according to the county's capital improvement budgeting program. While its use is intended for capital improvements, it is not restricted to that purpose.

Capital Improvement (4960)--to account for resources used for the acquisition of capital facilities. Its purpose is to accumulate funds to finance, entirely or partially, capital projects from resources other than bond indebtedness. It is restricted to capital improvement expenditures.

Drain Revolving (6010)--to account for monies spent by the Drain Commissioner prior to actual levies for specific drain work. The monies for this purpose are loaned from the county's General Fund and replenished as assessments are made.

Drain Projects (8010)--to account for the monies received and expended by the Drain Commissioner for the purpose of creating, extending, and repairing drains within the county.

## **PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings from investments within the fund can be used to support the programs that they were originally designed.

Cemetery Trust (1500)--to account for monies earned and expended on the flower maintenance of Cemetery plots in County maintained cemeteries

Medical Care Facility Endowment (1550)--to account for monies earned and expended for the residents of the Brookhaven Medical Care Facility

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Cooperative Reimbursement Prosecutor (1150)	Next Generation Implementation (1170)	Emergency Services (1190)	Marine Safety (1200)	Sheriff Road Patrol (1210)	School Liaison (1230)	Township Patrols (1240)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 4,512	\$ -	\$ -	\$ -	\$ -	\$ 34,377
Receivables							
Accounts	-	-	12,557	-	320	-	11,310
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	55,847	-	509,982	59,182	146,982	-	-
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 55,847</u>	<u>\$ 4,512</u>	<u>\$ 522,539</u>	<u>\$ 59,182</u>	<u>\$ 147,302</u>	<u>\$ -</u>	<u>\$ 45,687</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 798	\$ -	\$ 39,921	\$ 40	\$ 67	\$ -	\$ -
Intergovernmental payable	-	-	126	-	-	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	9,423	4,512	4,132	6,195	7,939	-	6,612
Due to other funds	45,626	-	457,278	42,730	139,296	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	33,668
	<u>55,847</u>	<u>4,512</u>	<u>501,457</u>	<u>48,965</u>	<u>147,302</u>	<u>-</u>	<u>40,280</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	21,082	10,217	-	-	5,407
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>21,082</u>	<u>10,217</u>	<u>-</u>	<u>-</u>	<u>5,407</u>
	<u>\$ 55,847</u>	<u>\$ 4,512</u>	<u>\$ 522,539</u>	<u>\$ 59,182</u>	<u>\$ 147,302</u>	<u>\$ -</u>	<u>\$ 45,687</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Park Fund (2080)	Prosecutor Family Court (2140)	Friend of the Court (2150)	Family Court Re-entry Initiative (2152)	Health Department (2210)	Accommodations Tax (2300)	Parks Development (2411)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 110,177	\$ 2,828	\$ -	\$ 160,337	\$ 579,354	\$ 78,389	\$ -
Receivables							
Accounts	-	-	8,857	-	95,986	62,228	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	-	4,307	1,059,593	19,150	240	-	-
Accrued Interest	402	-	-	882	14	253	-
Prepaid Items	-	-	-	-	23,232	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 110,579</u>	<u>\$ 7,135</u>	<u>\$ 1,068,450</u>	<u>\$ 180,369</u>	<u>\$ 698,826</u>	<u>\$ 140,870</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 11,499	\$ -	\$ 22,926	\$ 19	\$ 313,608	\$ 13,364	\$ -
Intergovernmental payable	-	-	-	-	17,923	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	7,584	7,135	139,282	4,434	245,465	7,889	-
Due to other funds	-	-	687,521	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	18,678	-	-
	<u>19,083</u>	<u>7,135</u>	<u>849,729</u>	<u>4,453</u>	<u>595,674</u>	<u>21,253</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	91,496	-	218,721	175,916	103,152	119,617	-
Undesignated	-	-	-	-	-	-	-
	<u>91,496</u>	<u>-</u>	<u>218,721</u>	<u>175,916</u>	<u>103,152</u>	<u>119,617</u>	<u>-</u>
	<u>\$ 110,579</u>	<u>\$ 7,135</u>	<u>\$ 1,068,450</u>	<u>\$ 180,369</u>	<u>\$ 698,826</u>	<u>\$ 140,870</u>	<u>\$ -</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)	WMET (2670)	TNT Drug (2671)	Library (2710)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 349,609	\$ 2,050,000	\$ 5,592	\$ 38,817	\$ -	\$ 73,023	\$ 36,983
Receivables							
Accounts	4,300	-	-	84	-	-	43,270
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	-	-	-	59,267	-	-	-
Accrued Interest	2,793	-	-	-	2	744	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 356,702</u>	<u>\$ 2,050,000</u>	<u>\$ 5,592</u>	<u>\$ 98,168</u>	<u>\$ 2</u>	<u>\$ 73,767</u>	<u>\$ 80,253</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 23	\$ -	\$ 5,592	\$ 81,299	\$ -	\$ 1,151	\$ 2,007
Intergovernmental payable	-	-	-	-	-	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	16,869	-	-	25,767
Due to other funds	-	-	-	-	2	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>23</u>	<u>-</u>	<u>5,592</u>	<u>98,168</u>	<u>2</u>	<u>1,151</u>	<u>27,774</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	356,679	-	-	-	-	72,616	52,479
Undesignated	-	2,050,000	-	-	-	-	-
	<u>356,679</u>	<u>2,050,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,616</u>	<u>52,479</u>
	<u>\$ 356,702</u>	<u>\$ 2,050,000</u>	<u>\$ 5,592</u>	<u>\$ 98,168</u>	<u>\$ 2</u>	<u>\$ 73,767</u>	<u>\$ 80,253</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Wagner Peyser (2731)	TAA/NAFTA (2733)	Reemployment Services (2738)	MI WECAN (2744)	Regional Skills Alliance (2747)	Economic Development Job Training (2750)	Workfirst (2751)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 43,582	\$ -	\$ 37,844	\$ -	\$ -	\$ -	\$ -
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	63,987	46,984	763	89	58,471	41,996	1,284,464
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 107,569</u>	<u>\$ 46,984</u>	<u>\$ 38,607</u>	<u>\$ 89</u>	<u>\$ 58,471</u>	<u>\$ 41,996</u>	<u>\$ 1,284,464</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 107,569	\$ 22,278	\$ 38,607	\$ -	\$ 9,257	\$ -	\$ 862,084
Intergovernmental payable	-	-	-	-	-	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	24,706	-	89	49,214	41,996	422,380
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>107,569</u>	<u>46,984</u>	<u>38,607</u>	<u>89</u>	<u>58,471</u>	<u>41,996</u>	<u>1,284,464</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 107,569</u>	<u>\$ 46,984</u>	<u>\$ 38,607</u>	<u>\$ 89</u>	<u>\$ 58,471</u>	<u>\$ 41,996</u>	<u>\$ 1,284,464</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 217,757	\$ -	\$ 367,426	\$ 42,259	\$ -
Receivables							
Accounts	-	-	-	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	1,807	85,790	92,147	140,065	77,520	-	1,265
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 1,807</u>	<u>\$ 85,790</u>	<u>\$ 309,904</u>	<u>\$ 140,065</u>	<u>\$ 444,946</u>	<u>\$ 42,259</u>	<u>\$ 1,265</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 1,807	\$ 1,855	\$ 309,904	\$ 33,888	\$ 91,905	\$ -	\$ 20
Intergovernmental payable	-	35,221	-	-	353,041	42,259	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	38,459	-	2,825	-	-	-
Due to other funds	-	10,255	-	103,352	-	-	1,245
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>1,807</u>	<u>85,790</u>	<u>309,904</u>	<u>140,065</u>	<u>444,946</u>	<u>42,259</u>	<u>1,265</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>\$ 1,807</u>	<u>\$ 85,790</u>	<u>\$ 309,904</u>	<u>\$ 140,065</u>	<u>\$ 444,946</u>	<u>\$ 42,259</u>	<u>\$ 1,265</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	WIA Service Center Operations (2767)	Incumbent Worker Program (2768)	Reed Act Funds (2769)	Crime Victims' Rights (2800)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,728	\$ -
Receivables							
Accounts	-	-	-	-	-	-	38,509
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	3,438	-	228,103	46,280	4,299	-	-
Accrued Interest	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 3,438</u>	<u>\$ -</u>	<u>\$ 228,103</u>	<u>\$ 46,280</u>	<u>\$ 4,299</u>	<u>\$ 1,728</u>	<u>\$ 38,509</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 780	\$ -	\$ 146,014	\$ 1,010	\$ 3,327	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	5,198	-	1,728	4,056
Due to other funds	2,658	-	82,089	36,572	-	-	34,453
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>3,438</u>	<u>-</u>	<u>228,103</u>	<u>42,780</u>	<u>3,327</u>	<u>1,728</u>	<u>38,509</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	-	-	3,500	972	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>972</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,438</u>	<u>\$ -</u>	<u>\$ 228,103</u>	<u>\$ 46,280</u>	<u>\$ 4,299</u>	<u>\$ 1,728</u>	<u>\$ 38,509</u>



**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,739,745	\$ 270,585	\$ 3,549	\$ -	\$ 32,314	\$ -	\$ -
Receivables							
Accounts	-	82,690	-	-	20,000	11,166	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	1,493,754	-	-	-	-	-	-
Intergovernmental	-	-	-	18,586	119,006	934,506	16,686
Accrued Interest	-	2,570	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ 3,233,499</u>	<u>\$ 355,845</u>	<u>\$ 3,549</u>	<u>\$ 18,586</u>	<u>\$ 171,320</u>	<u>\$ 945,672</u>	<u>\$ 16,686</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,537	\$ 8,320	\$ 404,408	\$ 2,535
Intergovernmental payable	-	-	-	-	163,000	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	96,758	-
Due to other funds	-	-	-	12,049	-	444,506	14,151
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,586</u>	<u>171,320</u>	<u>945,672</u>	<u>16,686</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	3,233,499	355,845	3,549	-	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>3,233,499</u>	<u>355,845</u>	<u>3,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,233,499</u>	<u>\$ 355,845</u>	<u>\$ 3,549</u>	<u>\$ 18,586</u>	<u>\$ 171,320</u>	<u>\$ 945,672</u>	<u>\$ 16,686</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	C.E.D.C (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3110)/(3111)	Hall of Justice Debt (3130)	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 322,334	\$ 40,681	\$ 1,326,477	\$ 115,332	\$ -	\$ 15,945
Receivables							
Accounts	-	6,998	248	-	-	-	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	-	3,405	359	17,154	-	-	128
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 332,737</u>	<u>\$ 41,288</u>	<u>\$ 1,343,631</u>	<u>\$ 115,332</u>	<u>\$ -</u>	<u>\$ 16,073</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ -	\$ 9,720	\$ 309	\$ -	\$ -	\$ -	-
Intergovernmental payable	-	-	-	-	-	-	-
Accrued Interest payable	-	-	-	-	-	-	-
Accrued liabilities	-	1,169	-	48,537	115,332	-	16,073
Due to other funds	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	210,647	-	-	-	-	-
	<u>-</u>	<u>221,536</u>	<u>309</u>	<u>48,537</u>	<u>115,332</u>	<u>-</u>	<u>16,073</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	-	-
Unreserved							
Designated for programs	-	111,201	40,979	1,295,094	-	-	-
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>111,201</u>	<u>40,979</u>	<u>1,295,094</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 332,737</u>	<u>\$ 41,288</u>	<u>\$ 1,343,631</u>	<u>\$ 115,332</u>	<u>\$ -</u>	<u>\$ 16,073</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Hall of Justice (4130)	Northside Water Michigan Adventure (4150)	Heritage Landing (4180)	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Capital Improvement (4960)
<b>ASSETS</b>							
Cash and cash equivalents	\$ 11,212	\$ 21,151	\$ 17,128	\$ 1,351,827	\$ 2,283,080	\$ 1,375,211	\$ 38,044
Receivables							
Accounts	-	-	-	-	-	63,469	-
Assessments receivable-deferred	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Accrued Interest	21	-	2	13,332	31,024	9,734	-
Prepaid Items	-	-	-	-	-	-	-
Long-term Note receivable	-	-	-	-	-	1,000,000	300,000
	<u>\$ 11,233</u>	<u>\$ 21,151</u>	<u>\$ 17,130</u>	<u>\$ 1,365,159</u>	<u>\$ 2,314,104</u>	<u>\$ 2,448,414</u>	<u>\$ 338,044</u>
<b>LIABILITIES AND FUND BALANCE</b>							
Accounts Payable	\$ 11,233	\$ 20,968	\$ -	\$ -	\$ 80,310	\$ -	\$ -
Intergovernmental payable	-	-	-	-	-	-	-
Accrued Interest payable	-	-	-	-	98,987	-	-
Accrued liabilities	-	183	-	-	95	-	-
Due to other funds	-	-	-	-	-	-	-
Long-term advance from other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
	<u>11,233</u>	<u>21,151</u>	<u>-</u>	<u>-</u>	<u>179,392</u>	<u>-</u>	<u>-</u>
Fund balance (deficit)							
Reserved for long-term note receivable	-	-	-	-	-	1,000,000	300,000
Unreserved							
Designated for programs	-	-	17,130	1,365,159	2,134,712	1,448,414	38,044
Undesignated	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>17,130</u>	<u>1,365,159</u>	<u>2,134,712</u>	<u>2,448,414</u>	<u>338,044</u>
	<u>\$ 11,233</u>	<u>\$ 21,151</u>	<u>\$ 17,130</u>	<u>\$ 1,365,159</u>	<u>\$ 2,314,104</u>	<u>\$ 2,448,414</u>	<u>\$ 338,044</u>

**County of Muskegon**  
Non-Major Governmental Funds  
Combining Balance Sheet  
September 30, 2005

	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	Total All Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,212	\$ 409,289	\$ 34,885	\$ 18,177	\$ 13,680,772
Receivables					
Accounts	-	-	-	10	462,002
Assessments receivable-deferred	2,288	-	-	-	2,288
Due from other funds	-	-	-	-	1,493,754
Intergovernmental	-	-	-	-	5,180,802
Accrued Interest	-	3,161	-	172	86,152
Prepaid Items	-	-	-	-	23,232
Long-term Note receivable	-	-	-	-	1,300,000
	<u>\$ 21,500</u>	<u>\$ 412,450</u>	<u>\$ 34,885</u>	<u>\$ 18,359</u>	<u>\$ 22,229,002</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Accounts Payable	\$ -	\$ 7,840	\$ -	\$ -	2,674,799
Intergovernmental payable	-	-	-	-	611,570
Accrued Interest payable	-	-	-	-	98,987
Accrued liabilities	-	3,931	-	-	827,582
Due to other funds	-	-	-	-	2,652,168
Long-term advance from other funds	21,500	-	-	-	21,500
Deferred revenue	-	-	-	-	262,993
	<u>21,500</u>	<u>11,771</u>	<u>-</u>	<u>-</u>	<u>7,149,599</u>
Fund balance (deficit)					
Reserved for long-term note receivable	-	-	-	-	1,300,000
Unreserved					
Designated for programs	-	400,679	34,885	18,359	11,729,403
Undesignated	-	-	-	-	2,050,000
	<u>-</u>	<u>400,679</u>	<u>34,885</u>	<u>18,359</u>	<u>15,079,403</u>
	<u>\$ 21,500</u>	<u>\$ 412,450</u>	<u>\$ 34,885</u>	<u>\$ 18,359</u>	<u>\$ 22,229,002</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Cooperative Reimbursement Prosecutor (1150)	Next Generation Implementation (1170)	Emergency Services (1190)	Marine Safety (1200)	Sheriff Road Patrol (1210)	School Liaison (1230)	Township Patrols (1240)
<b>Revenues</b>							
Grants							
State	\$ 65,278	\$ -	\$ -	\$ 90,754	\$ 215,178	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	126,715	-	657,581	-	59,165	-	-
Local Units	-	-	-	-	-	30,325	146,910
Charges for services rendered	-	-	-	-	-	-	2,788
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	455	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	16,160	448	-	-	-
	<u>191,993</u>	<u>-</u>	<u>674,196</u>	<u>91,202</u>	<u>274,343</u>	<u>30,325</u>	<u>149,698</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	144,811	-	-	-	-	-
General County government	293,334	-	-	-	-	-	-
Public Safety	-	-	713,437	124,771	263,090	37,705	279,799
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	163,845	11,000	11,253	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>293,334</u>	<u>144,811</u>	<u>877,282</u>	<u>135,771</u>	<u>274,343</u>	<u>37,705</u>	<u>279,799</u>
Revenues over (under) expenditures	(101,341)	(144,811)	(203,086)	(44,569)	-	(7,380)	(130,101)
<b>Other financing sources (uses)</b>							
Transfers in	101,341	144,811	204,166	49,786	-	6,391	135,508
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	989	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>101,341</u>	<u>144,811</u>	<u>204,166</u>	<u>49,786</u>	<u>-</u>	<u>7,380</u>	<u>135,508</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	1,080	5,217	-	-	5,407
<b>Fund balance at beginning of year</b>	-	-	20,002	5,000	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,082</u>	<u>\$ 10,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,407</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Park Fund (2080)	Prosecutor Family Court (2140)	Friend of the Court (2150)	Family Court Re-entry Initiative (2152)	Health Department (2210)	Accommodations Tax (2300)	Parks Development (2411)
<b>Revenues</b>							
Grants							
State	\$ -	\$ 43,424	\$ 834,499	\$ 166,353	\$ 1,222,706	\$ -	\$ 178,833
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	1,632,977	23,164	2,782,802	-	-
Local Units	-	-	-	-	109,800	-	-
Charges for services rendered	602,807	-	285,771	-	2,277,451	-	-
Taxes	-	-	-	-	259,889	778,906	-
Contributions from private sources	-	-	-	-	6,688	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	619	-	-	1,888	143	307	-
Rentals	-	-	-	-	-	-	-
Other	(61)	-	66,288	-	53,929	-	-
	<u>603,365</u>	<u>43,424</u>	<u>2,819,535</u>	<u>191,405</u>	<u>6,713,408</u>	<u>779,213</u>	<u>178,833</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	992,364	-	-	-	-
General County government	-	204,086	3,357,294	202,989	-	582,345	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	8,448,106	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	570,072	-	-	-	-	-	5,363
Capital Outlay	3,598	-	17,337	-	6,362	-	424,230
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>573,670</u>	<u>204,086</u>	<u>4,366,995</u>	<u>202,989</u>	<u>8,454,468</u>	<u>582,345</u>	<u>429,593</u>
Revenues over (under) expenditures	29,695	(160,662)	(1,547,460)	(11,584)	(1,741,060)	196,868	(250,760)
<b>Other financing sources (uses)</b>							
Transfers in	-	152,350	1,546,457	-	1,744,768	-	250,760
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	1,003	-	-	-	-
Transfers (out)	-	-	-	-	-	(106,595)	-
Total other financing sources (uses)	-	152,350	1,547,460	-	1,744,768	(106,595)	250,760
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	29,695	(8,312)	-	(11,584)	3,708	90,273	-
Fund balance at beginning of year	61,801	8,312	218,721	187,500	99,444	29,344	-
Fund balance at end of year	<u>\$ 91,496</u>	<u>\$ -</u>	<u>\$ 218,721</u>	<u>\$ 175,916</u>	<u>\$ 103,152</u>	<u>\$ 119,617</u>	<u>\$ -</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Deed Automation Fund (2560)	Budget Stabilization (2570)	Law Library (2610)	Community Corrections (2640)	WMET (2670)	TNT Drug (2671)	Library (2710)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ 831,292	\$ -	\$ -	\$ 142,729
Federal	-	-	-	-	-	2,445	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	37,801
Charges for services rendered	244,978	-	326	114,392	-	-	29,612
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	11,521	16,661
Fines and forfeiture	-	-	6,500	-	-	1,010	428,878
Investment Income	6,305	-	-	-	-	1,686	-
Rentals	-	-	-	-	-	-	3,568
Other	-	-	-	20	-	(918)	120,961
	<u>251,283</u>	<u>-</u>	<u>6,826</u>	<u>945,704</u>	<u>-</u>	<u>15,744</u>	<u>780,210</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	27,573	-	-	-	-
General County government	117,019	-	-	-	-	-	-
Public Safety	-	-	-	1,403,238	354	22,434	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	1,175,995
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	5,872	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>117,019</u>	<u>-</u>	<u>27,573</u>	<u>1,403,238</u>	<u>354</u>	<u>28,306</u>	<u>1,175,995</u>
Revenues over (under) expenditures	134,264	-	(20,747)	(457,534)	(354)	(12,562)	(395,785)
<b>Other financing sources (uses)</b>							
Transfers in	-	350,000	20,747	456,624	-	-	378,973
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	910	-	-	-
Transfers (out)	-	-	-	-	(18,917)	-	-
Total other financing sources (uses)	<u>-</u>	<u>350,000</u>	<u>20,747</u>	<u>457,534</u>	<u>(18,917)</u>	<u>-</u>	<u>378,973</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	134,264	350,000	-	-	(19,271)	(12,562)	(16,812)
Fund balance at beginning of year	222,415	1,700,000	-	-	19,271	85,178	69,291
Fund balance at end of year	<u>\$ 356,679</u>	<u>\$ 2,050,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,616</u>	<u>\$ 52,479</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Wagner Peysen (2731)	TAA/NAFTA (2733)	Reemployment Services (2738)	MI WECAN (2744)	Regional Skills Alliance (2747)	Economic Development Job Training (2750)	Workfirst (2751)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,996	\$ 671,463
Federal	-	-	-	-	-	-	-
Federal pass-thru	452,619	144,364	42,588	89	58,740	-	2,652,488
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>452,619</u>	<u>144,364</u>	<u>42,588</u>	<u>89</u>	<u>58,740</u>	<u>41,996</u>	<u>3,323,951</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	452,619	144,364	42,588	89	58,740	41,996	3,323,951
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>452,619</u>	<u>144,364</u>	<u>42,588</u>	<u>89</u>	<u>58,740</u>	<u>41,996</u>	<u>3,323,951</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Food Stamp Program (2759)	WIA Admin Pool (2760)	WIA Adult Program (2761)	WIA Youth Programs (2762)	WIA Dislocated Wkr Program (2763)	Strategic Planning (2765)	WIA Youth Statewide (2766)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	4,997	357,650	1,098,896	616,859	667,711	-	7,945
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>4,997</u>	<u>357,650</u>	<u>1,098,896</u>	<u>616,859</u>	<u>667,711</u>	<u>-</u>	<u>7,945</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	4,997	354,422	1,098,896	616,859	667,711	-	7,945
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	3,228	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>4,997</u>	<u>357,650</u>	<u>1,098,896</u>	<u>616,859</u>	<u>667,711</u>	<u>-</u>	<u>7,945</u>
Revenues over (under) expenditures	-	-	-	-	-	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	WIA Service Center Operations (2767)	Incumbent Worker Program (2768)	Reed Act Funds (2769)	Crime Victims' Rights (2800)	Comp Strategy Implementation Grant (2821)	Juv. Account- ability Incentive Block Grant (2831)	Community Gun Violence (2832)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	3,438	5,382	702,994	172,145	62,500	42,738	52,814
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	3,500	44,300	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	250
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	16,736	-	-
	<u>3,438</u>	<u>5,382</u>	<u>702,994</u>	<u>175,645</u>	<u>123,536</u>	<u>42,738</u>	<u>53,064</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	49,165	133,949
General County government	-	-	-	-	124,842	-	-
Public Safety	-	-	-	176,611	-	-	-
Health	-	-	-	-	-	-	-
Welfare	3,438	5,382	702,994	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>3,438</u>	<u>5,382</u>	<u>702,994</u>	<u>176,611</u>	<u>124,842</u>	<u>49,165</u>	<u>133,949</u>
Revenues over (under) expenditures	-	-	-	(966)	(1,306)	(6,427)	(80,885)
Other financing sources (uses)							
Transfers in	-	-	-	4,466	-	6,427	80,885
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,466</u>	<u>-</u>	<u>6,427</u>	<u>80,885</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>(1,306)</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	-	-	-	-	2,278	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 972</u>	<u>\$ -</u>	<u>\$ -</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Revenue Sharing Reserve (2850)	EDC Loan Revolving (2860)	Rambusch-Fuchs CDBG Grant (2873)	Remonumen- tation Program (2890)	Social Welfare (2910)	Child Care Facility (2920)	Veteran's Trust (2940)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ 147,592	\$ 915,811	\$ 2,685,643	\$ 24,028
Federal	-	-	-	-	-	27,807	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	6,390,002	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	8,450	-	-	-	-	-
Rentals	-	-	-	-	-	-	-
Other	-	-	-	-	27,436	240,690	-
	<u>6,390,002</u>	<u>8,450</u>	<u>-</u>	<u>147,592</u>	<u>943,247</u>	<u>2,954,140</u>	<u>24,028</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	50,624	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	-	-	-	953,263	5,934,854	-
Welfare	-	-	-	-	-	-	24,028
Culture	-	-	-	117,426	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	38,170	-	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	<u>-</u>	<u>50,624</u>	<u>-</u>	<u>155,596</u>	<u>953,263</u>	<u>5,934,854</u>	<u>24,028</u>
Revenues over (under) expenditures	6,390,002	(42,174)	-	(8,004)	(10,016)	(2,980,714)	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	8,004	10,016	2,980,714	-
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	(3,156,503)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(3,156,503)</u>	<u>-</u>	<u>-</u>	<u>8,004</u>	<u>10,016</u>	<u>2,980,714</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>3,233,499</b>	<b>(42,174)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance at beginning of year	-	398,019	3,549	-	-	-	-
Fund balance at end of year	<u>\$ 3,233,499</u>	<u>\$ 355,845</u>	<u>\$ 3,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	C.E.D.C (2960)	Mental Health Buildings (2970)	Victim Restitution (2980)	Quality of Life Debt (3110)/(3111)	Hall of Justice Debt (3130)	Psychiatric Facility Debt (3141)	Halmond Center Debt (3142)/(3143)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	-	-	-
Charges for services rendered	-	-	8,368	-	-	-	-
Taxes	-	-	-	1,517,444	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	8,093	827	37,622	-	717	399
Rentals	-	239,649	-	-	-	167,414	192,515
Other	-	83,976	-	-	-	-	-
	<u>-</u>	<u>331,718</u>	<u>9,195</u>	<u>1,555,066</u>	<u>-</u>	<u>168,131</u>	<u>192,914</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	377	-	7,472	-	250	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	329,380	-	-	-	438	1,188
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	437	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Services							
Principal	-	-	-	710,000	205,000	200,000	150,000
Interest	-	-	-	608,481	281,879	4,958	42,294
Other	-	-	-	-	-	-	-
	<u>377</u>	<u>329,380</u>	<u>7,472</u>	<u>1,318,918</u>	<u>487,129</u>	<u>205,396</u>	<u>193,482</u>
Revenues over (under) expenditures	(377)	2,338	1,723	236,148	(487,129)	(37,265)	(568)
<b>Other financing sources (uses)</b>							
Transfers in	377	-	-	-	487,129	-	-
Note Proceeds	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,129</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>-</u>	<u>2,338</u>	<u>1,723</u>	<u>236,148</u>	<u>-</u>	<u>(37,265)</u>	<u>(568)</u>
Fund balance at beginning of year	-	108,863	39,256	1,058,946	-	37,265	568
Fund balance at end of year	<u>\$ -</u>	<u>\$ 111,201</u>	<u>\$ 40,979</u>	<u>\$ 1,295,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Hall of Justice (4130)	Northside Water Michigan Adventure (4150)	Heritage Landing (4180)	Fruitport/NS Sewer Project (4618)	Muskegon Township Sewer/Water (4640)	Public Improvement (4930)	Capital Improvement (4960)
<b>Revenues</b>							
Grants							
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-
Local Units	-	-	-	-	242,411	-	-
Charges for services rendered	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-
Fines and forfeiture	-	-	-	-	-	-	-
Investment Income	-	-	-	31,950	73,724	32,752	-
Rentals	-	-	-	-	-	73,052	-
Other	13,901	-	-	-	-	-	-
	<u>13,901</u>	<u>-</u>	<u>-</u>	<u>31,950</u>	<u>316,135</u>	<u>105,804</u>	<u>-</u>
<b>Expenditures</b>							
Current Operations							
Judicial	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Health	-	224,386	-	252,929	313,582	-	-
Welfare	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Capital Outlay	13,247	-	-	192,154	2,971,210	-	-
Debt Services							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	103,987	-	-
Other	-	-	-	-	-	11,929	208
	<u>13,247</u>	<u>224,386</u>	<u>-</u>	<u>445,083</u>	<u>3,388,779</u>	<u>11,929</u>	<u>208</u>
Revenues over (under) expenditures	654	(224,386)	-	(413,133)	(3,072,644)	93,875	(208)
Other financing sources (uses)							
Transfers in	13,247	224,386	-	-	-	314,347	-
Note Proceeds	-	-	-	-	5,000,000	-	-
Sale of Assets	-	-	-	-	-	500,000	-
Transfers (out)	(13,901)	-	-	-	-	(18,943)	-
Total other financing sources (uses)	<u>(654)</u>	<u>224,386</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>795,404</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	(413,133)	1,927,356	889,279	(208)
Fund balance at beginning of year	-	-	17,130	1,778,292	207,356	1,559,135	338,252
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,130</u>	<u>\$ 1,365,159</u>	<u>\$ 2,134,712</u>	<u>\$ 2,448,414</u>	<u>\$ 338,044</u>

# COUNTY OF MUSKEGON

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year ended September 30, 2005

	Drain Revolving (6010)	Drain Projects (8010)	Cemetery Trust (1500)	Medical Care Facility Endowment (1550)	Total All Funds
<b>Revenues</b>					
Grants					
State	\$ -	\$ -	\$ -	\$ -	\$ 8,277,579
Federal	-	-	-	-	30,252
Federal pass-thru	-	-	-	-	12,429,361
Local Units	-	-	-	-	567,247
Charges for services rendered	-	62,083	-	-	3,628,576
Taxes	-	-	-	-	8,946,241
Contributions from private sources	-	-	-	-	82,670
Fines and forfeiture	-	-	-	-	436,388
Investment Income	-	7,291	581	396	214,455
Rentals	-	-	-	2,956	679,154
Other	-	-	-	-	639,566
	<u>-</u>	<u>69,374</u>	<u>581</u>	<u>3,352</u>	<u>35,931,489</u>
<b>Expenditures</b>					
Current Operations					
Judicial	-	-	-	-	1,347,862
General County government	-	-	454	4,247	4,945,333
Public Safety	-	-	-	-	3,021,439
Health	-	-	-	-	16,458,126
Welfare	-	-	-	-	7,551,019
Culture	-	-	-	-	1,293,858
Recreation	-	-	-	-	575,435
Capital Outlay	-	-	-	-	3,861,506
Debt Services					
Principal	-	-	-	-	1,265,000
Interest	-	-	-	-	1,041,599
Other	-	76,233	-	-	88,370
	<u>-</u>	<u>76,233</u>	<u>454</u>	<u>4,247</u>	<u>41,449,547</u>
Revenues over (under) expenditures	-	(6,859)	127	(895)	(5,518,058)
<b>Other financing sources (uses)</b>					
Transfers in	-	56,302	-	-	9,728,982
Note Proceeds	-	-	-	-	5,000,000
Sale of Assets	-	-	-	-	502,902
Transfers (out)	-	-	-	-	(3,314,859)
Total other financing sources (uses)	-	56,302	-	-	11,917,025
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	49,443	127	(895)	6,398,967
Fund balance at beginning of year	-	351,236	34,758	19,254	8,680,436
Fund balance at end of year	<u>\$ -</u>	<u>\$ 400,679</u>	<u>\$ 34,885</u>	<u>\$ 18,359</u>	<u>\$ 15,079,403</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2005**

	Cooperative Reimbursement Prosecutor (1150)			Next Generation Implementation (1170)			Emergency Services (1190)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 67,560	\$ 65,278	(\$ 2,282)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	131,146	126,715	(4,431)	-	-	-	1,094,035	657,581	(436,454)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	400	455	55
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	5,000	16,160	11,160
	<u>198,706</u>	<u>191,993</u>	<u>(6,713)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,435</u>	<u>674,196</u>	<u>(425,239)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	148,332	144,811	3,521	-	-	-
General County government	293,509	293,334	175	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	600,138	713,437	(113,299)
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	728,263	163,845	564,418
	<u>293,509</u>	<u>293,334</u>	<u>175</u>	<u>148,332</u>	<u>144,811</u>	<u>3,521</u>	<u>1,328,401</u>	<u>877,282</u>	<u>451,119</u>
<b>Revenues over (under) expenditures</b>	<b>(94,803)</b>	<b>(101,341)</b>	<b>(6,538)</b>	<b>(148,332)</b>	<b>(144,811)</b>	<b>3,521</b>	<b>(228,966)</b>	<b>(203,086)</b>	<b>25,880</b>
<b>Other financing sources (uses)</b>									
Transfers in	94,803	101,341	6,538	148,332	144,811	(3,521)	228,966	204,166	(24,800)
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>94,803</b>	<b>101,341</b>	<b>6,538</b>	<b>148,332</b>	<b>144,811</b>	<b>(3,521)</b>	<b>228,966</b>	<b>204,166</b>	<b>(24,800)</b>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,080</b>	<b>1,080</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,002</b>	<b>20,002</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,002</b>	<b>\$ 21,082</b>	<b>\$ 1,080</b>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Marine Safety (1200)			Sheriff Road Patrol (1210)			School Liaison (1230)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 104,091	\$ 90,754	(\$ 13,337)	\$ 220,565	\$ 215,178	(\$ 5,387)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	94,038	59,165	(34,873)	-	-	-
Local units	-	-	-	-	-	-	30,325	30,325	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	400	448	48	-	-	-	-	-	-
	<u>104,491</u>	<u>91,202</u>	<u>(13,289)</u>	<u>314,603</u>	<u>274,343</u>	<u>(40,260)</u>	<u>30,325</u>	<u>30,325</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	136,277	124,771	11,506	303,350	263,090	40,260	37,705	37,705	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	23,000	11,000	12,000	11,253	11,253	-	-	-	-
	<u>159,277</u>	<u>135,771</u>	<u>23,506</u>	<u>314,603</u>	<u>274,343</u>	<u>40,260</u>	<u>37,705</u>	<u>37,705</u>	<u>-</u>
Revenues over (under) expenditures	(54,786)	(44,569)	10,217	-	-	-	(7,380)	(7,380)	-
<b>Other financing sources (uses)</b>									
Transfers in	49,786	49,786	-	-	-	-	6,391	6,391	-
Sale of Assets	-	-	-	-	-	-	989	989	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>49,786</u>	<u>49,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,380</u>	<u>7,380</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	(5,000)	5,217	10,217	-	-	-	-	-	-
Fund balance at beginning of year	5,000	5,000	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ 10,217	\$ 10,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Township Patrols (1240)			Park Fund (2080)			Prosecutor Family Court (2140)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,529	\$ 43,424	(\$ 11,105)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	146,911	146,910	(1)	-	-	-	-	-	-
Charges for services rendered	-	2,788	2,788	555,000	602,807	47,807	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	500	619	119	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	(61)	(61)	-	-	-
	<u>146,911</u>	<u>149,698</u>	<u>2,787</u>	<u>555,500</u>	<u>603,365</u>	<u>47,865</u>	<u>54,529</u>	<u>43,424</u>	<u>(11,105)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	206,731	204,086	2,645
Public safety	282,419	279,799	2,620	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	563,468	570,072	(6,604)	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>282,419</u>	<u>279,799</u>	<u>2,620</u>	<u>567,066</u>	<u>573,670</u>	<u>(6,604)</u>	<u>206,731</u>	<u>204,086</u>	<u>2,645</u>
<b>Revenues over (under) expenditures</b>	<b>(135,508)</b>	<b>(130,101)</b>	<b>5,407</b>	<b>(11,566)</b>	<b>29,695</b>	<b>41,261</b>	<b>(152,202)</b>	<b>(160,662)</b>	<b>(8,460)</b>
<b>Other financing sources (uses)</b>									
Transfers in	135,508	135,508	-	-	-	-	152,202	152,350	148
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>135,508</b>	<b>135,508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,202</b>	<b>152,350</b>	<b>148</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>5,407</b>	<b>5,407</b>	<b>(11,566)</b>	<b>29,695</b>	<b>41,261</b>	<b>-</b>	<b>(8,312)</b>	<b>(8,312)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,801</b>	<b>61,801</b>	<b>-</b>	<b>8,312</b>	<b>8,312</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 5,407</b>	<b>\$ 5,407</b>	<b>\$ 50,235</b>	<b>\$ 91,496</b>	<b>\$ 41,261</b>	<b>\$ 8,312</b>	<b>\$ -</b>	<b>(\$ 8,312)</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2005**

	Friend of the Court (2150)			Family Court Re-entry Initiative (2152)			Health Department (2210)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 873,414	\$ 834,499	(\$ 38,915)	\$ 150,000	\$ 166,353	\$ 16,353	\$ 1,126,930	\$ 1,222,706	\$ 95,776
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,643,419	1,632,977	(10,442)	23,164	23,164	-	1,918,828	2,782,802	863,974
Local units	-	-	-	-	-	-	109,800	109,800	-
Charges for services rendered	311,998	285,771	(26,227)	-	-	-	2,117,206	2,277,451	160,245
Contributions from private sources	-	-	-	-	-	-	2,222	6,688	4,466
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	1,888	1,888	111	143	32
Taxes	-	-	-	-	-	-	271,075	259,889	(11,186)
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	70,000	66,288	(3,712)	-	-	-	57,547	53,929	(3,618)
	<u>2,898,831</u>	<u>2,819,535</u>	<u>(79,296)</u>	<u>173,164</u>	<u>191,405</u>	<u>18,241</u>	<u>5,603,719</u>	<u>6,713,408</u>	<u>1,109,689</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	1,012,584	992,364	20,220	-	-	-	-	-	-
General County government	3,417,046	3,357,294	59,752	189,463	202,989	(13,526)	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	7,376,128	8,448,106	(1,071,978)
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	17,337	17,337	-	-	-	-	17,811	6,362	11,449
	<u>4,446,967</u>	<u>4,366,995</u>	<u>79,972</u>	<u>189,463</u>	<u>202,989</u>	<u>(13,526)</u>	<u>7,393,939</u>	<u>8,454,468</u>	<u>(1,060,529)</u>
<b>Revenues over (under) expenditures</b>	<b>(1,548,136)</b>	<b>(1,547,460)</b>	<b>676</b>	<b>(16,299)</b>	<b>(11,584)</b>	<b>4,715</b>	<b>(1,790,220)</b>	<b>(1,741,060)</b>	<b>49,160</b>
<b>Other financing sources (uses)</b>									
Transfers in	1,548,136	1,546,457	(1,679)	-	-	-	1,790,220	1,744,768	(45,452)
Sale of Assets	-	1,003	1,003	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,548,136</b>	<b>1,547,460</b>	<b>(676)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,790,220</b>	<b>1,744,768</b>	<b>(45,452)</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,299)</b>	<b>(11,584)</b>	<b>4,715</b>	<b>-</b>	<b>3,708</b>	<b>3,708</b>
<b>Fund balance at beginning of year</b>	<b>218,721</b>	<b>218,721</b>	<b>-</b>	<b>187,500</b>	<b>187,500</b>	<b>-</b>	<b>99,444</b>	<b>99,444</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 218,721</b>	<b>\$ 218,721</b>	<b>\$ -</b>	<b>\$ 171,201</b>	<b>\$ 175,916</b>	<b>\$ 4,715</b>	<b>\$ 99,444</b>	<b>\$ 103,152</b>	<b>\$ 3,708</b>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2005**

	Accommodations Tax (2300)			Parks Development (2411)			Deed Automation Fund (2560)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ 201,232	\$ 178,833	(\$ 22,399)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	240,000	244,978	4,978
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	307	307	-	-	-	4,800	6,305	1,505
Taxes	804,000	778,906	(25,094)	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>804,000</u>	<u>779,213</u>	<u>(24,787)</u>	<u>201,232</u>	<u>178,833</u>	<u>(22,399)</u>	<u>244,800</u>	<u>251,283</u>	<u>6,483</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	669,483	582,345	87,138	-	-	-	251,775	117,019	134,756
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	12,365	5,363	7,002	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	414,819	424,230	(9,411)	6,400	-	6,400
	<u>669,483</u>	<u>582,345</u>	<u>87,138</u>	<u>427,184</u>	<u>429,593</u>	<u>(2,409)</u>	<u>258,175</u>	<u>117,019</u>	<u>141,156</u>
<b>Revenues over (under) expenditures</b>	<b>134,517</b>	<b>196,868</b>	<b>62,351</b>	<b>(225,952)</b>	<b>(250,760)</b>	<b>(24,808)</b>	<b>(13,375)</b>	<b>134,264</b>	<b>147,639</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	225,952	250,760	24,808	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	(106,595)	(106,595)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(106,595)</b>	<b>(106,595)</b>	<b>-</b>	<b>225,952</b>	<b>250,760</b>	<b>24,808</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	<b>27,922</b>	<b>90,273</b>	<b>62,351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,375)</b>	<b>134,264</b>	<b>147,639</b>
<b>Fund balance at beginning of year</b>	<b>29,344</b>	<b>29,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,415</b>	<b>222,415</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 57,266</b>	<b>\$ 119,617</b>	<b>\$ 62,351</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 209,040</b>	<b>\$ 356,679</b>	<b>\$ 147,639</b>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Budget Stabilization (2570)			Law Library (2610)			Community Corrections (2640)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 901,135	\$ 831,292	(\$ 69,843)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	400	326	(74)	149,108	114,392	(34,716)
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	6,500	6,500	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	20	20
	-	-	-	6,900	6,826	(74)	1,050,243	945,704	(104,539)
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	32,693	27,573	5,120	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	1,405,436	1,403,238	2,198
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	-	-	-	32,693	27,573	5,120	1,405,436	1,403,238	2,198
<b>Revenues over (under) expenditures</b>	-	-	-	(25,793)	(20,747)	5,046	(355,193)	(457,534)	(102,341)
<b>Other financing sources (uses)</b>									
Transfers in	-	350,000	350,000	25,793	20,747	(5,046)	355,193	456,624	101,431
Sale of Assets	-	-	-	-	-	-	-	910	910
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	350,000	350,000	25,793	20,747	(5,046)	355,193	457,534	102,341
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	350,000	350,000	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	1,700,000	1,700,000	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	\$ 1,700,000	\$ 2,050,000	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	WMET (2670)			TNT Drug (2671)			Library (2710)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,000	\$ 142,729	\$ 729
Federal	-	-	-	-	2,445	2,445	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	36,500	37,801	1,301
Charges for services rendered	-	-	-	-	-	-	51,300	29,612	(21,688)
Contributions from private sources	-	-	-	11,000	11,521	521	21,825	16,661	(5,164)
Fines and forfeitures	-	-	-	1,010	1,010	-	419,000	428,878	9,878
Investment income	-	-	-	1,500	1,686	186	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	3,600	3,568	(32)
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	(931)	(918)	13	150,563	120,961	(29,602)
	-	-	-	12,579	15,744	3,165	824,788	780,210	(44,578)
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	318	354	(36)	30,573	22,434	8,139	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	1,235,452	1,175,995	59,457
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,400	5,872	(3,472)	-	-	-
	318	354	(36)	32,973	28,306	4,667	1,235,452	1,175,995	59,457
<b>Revenues over (under) expenditures</b>	(318)	(354)	(36)	(20,394)	(12,562)	7,832	(410,664)	(395,785)	14,879
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	378,973	378,973	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	(18,953)	(18,917)	36	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	(18,953)	(18,917)	36	-	-	-	378,973	378,973	-
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	(19,271)	(19,271)	-	(20,394)	(12,562)	7,832	(31,691)	(16,812)	14,879
<b>Fund balance at beginning of year</b>	19,271	19,271	-	85,178	85,178	-	69,291	69,291	-
<b>Fund balance at end of year</b>	\$ -	\$ -	\$ -	\$ 64,784	\$ 72,616	\$ 7,832	\$ 37,600	\$ 52,479	\$ 14,879

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Wagner Peyser (2731)			TAA/NAFTA (2733)			Reemployment Services (2738)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	635,634	452,619	(183,015)	158,254	144,364	(13,890)	42,890	42,588	(302)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>635,634</u>	<u>452,619</u>	<u>(183,015)</u>	<u>158,254</u>	<u>144,364</u>	<u>(13,890)</u>	<u>42,890</u>	<u>42,588</u>	<u>(302)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	635,634	452,619	183,015	158,254	144,364	13,890	42,890	42,588	302
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>635,634</u>	<u>452,619</u>	<u>183,015</u>	<u>158,254</u>	<u>144,364</u>	<u>13,890</u>	<u>42,890</u>	<u>42,588</u>	<u>302</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2005**

	<b>MI WECAN (2744)</b>			<b>Regional Skills Alliance (2747)</b>			<b>Economic Development Job Training (2750)</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 41,996	(\$ 108,004)
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	65,000	89	(64,911)	50,286	58,740	8,454	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	37,714	-	(37,714)	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>65,000</u>	<u>89</u>	<u>(64,911)</u>	<u>88,000</u>	<u>58,740</u>	<u>(29,260)</u>	<u>150,000</u>	<u>41,996</u>	<u>(108,004)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	65,000	89	64,911	88,000	58,740	29,260	150,000	41,996	108,004
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>65,000</u>	<u>89</u>	<u>64,911</u>	<u>88,000</u>	<u>58,740</u>	<u>29,260</u>	<u>150,000</u>	<u>41,996</u>	<u>108,004</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Workfirst (2751)			Food Stamp Program (2759)			WIA Admin Pool (2760)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 636,102	\$ 671,463	\$ 35,361	\$ 3,090	\$ -	(\$ 3,090)	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	2,496,757	2,652,488	155,731	137,386	4,997	(132,389)	453,932	357,650	(96,282)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>3,132,859</u>	<u>3,323,951</u>	<u>191,092</u>	<u>140,476</u>	<u>4,997</u>	<u>(135,479)</u>	<u>453,932</u>	<u>357,650</u>	<u>(96,282)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	3,132,859	3,323,951	(191,092)	140,476	4,997	135,479	341,475	354,422	(12,947)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	112,457	3,228	109,229
	<u>3,132,859</u>	<u>3,323,951</u>	<u>(191,092)</u>	<u>140,476</u>	<u>4,997</u>	<u>135,479</u>	<u>453,932</u>	<u>357,650</u>	<u>96,282</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	WIA Adult Program (2761)			WIA Youth Programs (2762)			WIA Dislocated Worker Program (2763)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	1,253,023	1,098,896	(154,127)	1,056,979	616,859	(440,120)	1,498,436	667,711	(830,725)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>1,253,023</u>	<u>1,098,896</u>	<u>(154,127)</u>	<u>1,056,979</u>	<u>616,859</u>	<u>(440,120)</u>	<u>1,498,436</u>	<u>667,711</u>	<u>(830,725)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	1,253,023	1,098,896	154,127	1,056,979	616,859	440,120	1,498,436	667,711	830,725
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>1,253,023</u>	<u>1,098,896</u>	<u>154,127</u>	<u>1,056,979</u>	<u>616,859</u>	<u>440,120</u>	<u>1,498,436</u>	<u>667,711</u>	<u>830,725</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual

For the Year ended September 30, 2005

	Strategic Planning (2765)			WIA Youth Statewide (2766)			WIA Service Center Operations (2767)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	10,717	7,945	(2,772)	-	3,438	3,438
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	-	-	-	10,717	7,945	(2,772)	-	3,438	3,438
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	10,717	7,945	2,772	-	3,438	(3,438)
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	-	-	-	10,717	7,945	2,772	-	3,438	(3,438)
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-	-	-	-
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Incumbent Worker Program (2768)			Reed Act Funds (2769)			Crime Victims' Rights (2800)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	114,272	5,382	(108,890)	660,832	702,994	42,162	172,145	172,145	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	3,425	3,500	75
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>114,272</u>	<u>5,382</u>	<u>(108,890)</u>	<u>660,832</u>	<u>702,994</u>	<u>42,162</u>	<u>175,570</u>	<u>175,645</u>	<u>75</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	183,422	176,611	6,811
Health	-	-	-	-	-	-	-	-	-
Welfare	114,272	5,382	108,890	660,832	702,994	(42,162)	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>114,272</u>	<u>5,382</u>	<u>108,890</u>	<u>660,832</u>	<u>702,994</u>	<u>(42,162)</u>	<u>183,422</u>	<u>176,611</u>	<u>6,811</u>
<b>Revenues over (under) expenditures</b>	-	-	-	-	-	-	(7,852)	(966)	6,886
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	7,852	4,466	(3,386)
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,852</u>	<u>4,466</u>	<u>(3,386)</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	-	3,500	3,500
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Comp Strategy Implementation Grant (2821)			Juv Accountability Incentive Block Grant (2831)			Community Gun Violence (2832)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	62,500	62,500	-	42,603	42,738	135	54,555	52,814	(1,741)
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	44,300	44,300	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	250	250
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	16,736	16,736	-	-	-	-	-	-	-
	<u>123,536</u>	<u>123,536</u>	<u>-</u>	<u>42,603</u>	<u>42,738</u>	<u>135</u>	<u>54,555</u>	<u>53,064</u>	<u>(1,491)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	54,789	49,165	5,624	139,346	133,949	5,397
General County government	125,814	124,842	972	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>125,814</u>	<u>124,842</u>	<u>972</u>	<u>54,789</u>	<u>49,165</u>	<u>5,624</u>	<u>139,346</u>	<u>133,949</u>	<u>5,397</u>
Revenues over (under) expenditures	(2,278)	(1,306)	972	(12,186)	(6,427)	5,759	(84,791)	(80,885)	3,906
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	12,186	6,427	(5,759)	84,791	80,885	(3,906)
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,186</u>	<u>6,427</u>	<u>(5,759)</u>	<u>84,791</u>	<u>80,885</u>	<u>(3,906)</u>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	(2,278)	(1,306)	972	-	-	-	-	-	-
<b>Fund balance at beginning of year</b>	<u>2,278</u>	<u>2,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 972</u>	<u>\$ 972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Revenue Sharing Reserve (2850)			EDC Loan Revolving (2860)			Rambusch-Fuchs CDBG Grant (2873)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	7,900	8,450	550	-	-	-
Taxes	7,045,117	6,390,002	(655,115)	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>7,045,117</u>	<u>6,390,002</u>	<u>(655,115)</u>	<u>7,900</u>	<u>8,450</u>	<u>550</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	60,822	50,624	10,198	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,822</u>	<u>50,624</u>	<u>10,198</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>7,045,117</b>	<b>6,390,002</b>	<b>(655,115)</b>	<b>(52,922)</b>	<b>(42,174)</b>	<b>10,748</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	(3,156,503)	(3,156,503)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(3,156,503)</b>	<b>(3,156,503)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	<b>3,888,614</b>	<b>3,233,499</b>	<b>(655,115)</b>	<b>(52,922)</b>	<b>(42,174)</b>	<b>10,748</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>398,019</b>	<b>398,019</b>	<b>-</b>	<b>3,549</b>	<b>3,549</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 3,888,614</b>	<b>\$ 3,233,499</b>	<b>(\$ 655,115)</b>	<b>\$ 345,097</b>	<b>\$ 355,845</b>	<b>\$ 10,748</b>	<b>\$ 3,549</b>	<b>\$ 3,549</b>	<b>\$ -</b>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Remonumentation Program (2890)			Social Welfare (2910)			Child Care Facility (2920)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 160,477	\$ 147,592	(\$ 12,885)	\$ 1,050,000	\$ 915,811	(\$ 134,189)	\$ 2,614,000	\$ 2,685,643	\$ 71,643
Federal	-	-	-	-	-	-	28,000	27,807	(193)
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	50,000	27,436	(22,564)	222,342	240,690	18,348
	<u>160,477</u>	<u>147,592</u>	<u>(12,885)</u>	<u>1,100,000</u>	<u>943,247</u>	<u>(156,753)</u>	<u>2,864,342</u>	<u>2,954,140</u>	<u>89,798</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	1,111,100	953,263	157,837	5,787,779	5,934,854	(147,075)
Welfare	-	-	-	-	-	-	-	-	-
Culture	130,307	117,426	12,881	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	38,170	38,170	-	-	-	-	-	-	-
	<u>168,477</u>	<u>155,596</u>	<u>12,881</u>	<u>1,111,100</u>	<u>953,263</u>	<u>157,837</u>	<u>5,787,779</u>	<u>5,934,854</u>	<u>(147,075)</u>
Revenues over (under) expenditures	(8,000)	(8,004)	(4)	(11,100)	(10,016)	1,084	(2,923,437)	(2,980,714)	(57,277)
<b>Other financing sources (uses)</b>									
Transfers in	8,000	8,004	4	11,100	10,016	(1,084)	2,923,437	2,980,714	57,277
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>8,000</u>	<u>8,004</u>	<u>4</u>	<u>11,100</u>	<u>10,016</u>	<u>(1,084)</u>	<u>2,923,437</u>	<u>2,980,714</u>	<u>57,277</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF MUSKEGON****Schedule of Revenues, Expenditures****and Changes in Fund Balance****Non-Major Governmental Funds****Budget and Actual****For the Year ended September 30, 2005**

	Veterans Trust (2940)			C.E.D.C (2960)			Mental Health Buildings (2970)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ 22,749	\$ 24,028	\$ 1,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	7,000	8,093	1,093
Taxes	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	136,080	239,649	103,569
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	191,976	83,976	(108,000)
	<u>22,749</u>	<u>24,028</u>	<u>1,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,056</u>	<u>331,718</u>	<u>(3,338)</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	-	-	-	2,500	377	2,123	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	328,319	329,380	(1,061)
Welfare	22,749	24,028	(1,279)	-	-	-	-	-	-
Culture	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	108,000	-	108,000
	<u>22,749</u>	<u>24,028</u>	<u>(1,279)</u>	<u>2,500</u>	<u>377</u>	<u>2,123</u>	<u>436,319</u>	<u>329,380</u>	<u>106,939</u>
<b>Revenues over (under) expenditures</b>	-	-	-	(2,500)	(377)	2,123	(101,263)	2,338	103,601
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	2,500	377	(2,123)	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>377</u>	<u>(2,123)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	-	-	-	-	(101,263)	2,338	103,601
<b>Fund balance at beginning of year</b>	-	-	-	-	-	-	108,863	108,863	-
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,600</u>	<u>\$ 111,201</u>	<u>\$ 103,601</u>

**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Victim Restitution (2980)			Quality of Life (3110)/(3111)			Hall of Justice Debt (3130)		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>									
<b>Grants</b>									
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-	-	-	-
Local units	-	-	-	-	-	-	-	-	-
Charges for services rendered	8,000	8,368	368	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Investment income	700	827	127	25,000	37,622	12,622	-	-	-
Taxes	-	-	-	1,501,012	1,517,444	16,432	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>8,700</u>	<u>9,195</u>	<u>495</u>	<u>1,526,012</u>	<u>1,555,066</u>	<u>29,054</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current operations</b>									
Judicial	-	-	-	-	-	-	-	-	-
General County government	7,000	7,472	(472)	-	-	-	250	250	-
Public safety	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-	-
Culture	-	-	-	450	437	13	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
Principal	-	-	-	710,000	710,000	-	205,000	205,000	-
Interest	-	-	-	608,481	608,481	-	281,879	281,879	-
Other	-	-	-	-	-	-	-	-	-
<b>Capital outlay</b>									
	<u>7,000</u>	<u>7,472</u>	<u>(472)</u>	<u>1,318,931</u>	<u>1,318,918</u>	<u>13</u>	<u>487,129</u>	<u>487,129</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<b>1,700</b>	<b>1,723</b>	<b>23</b>	<b>207,081</b>	<b>236,148</b>	<b>29,067</b>	<b>(487,129)</b>	<b>(487,129)</b>	<b>-</b>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	487,129	487,129	-
Sale of Assets	-	-	-	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>487,129</b>	<b>487,129</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	<b>1,700</b>	<b>1,723</b>	<b>23</b>	<b>207,081</b>	<b>236,148</b>	<b>29,067</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at beginning of year</b>	<b>39,256</b>	<b>39,256</b>	<b>-</b>	<b>1,058,946</b>	<b>1,058,946</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 40,956</b>	<b>\$ 40,979</b>	<b>\$ 23</b>	<b>\$ 1,266,027</b>	<b>\$ 1,295,094</b>	<b>\$ 29,067</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**COUNTY OF MUSKEGON**

Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Governmental Funds  
Budget and Actual  
For the Year ended September 30, 2005

	Psychiatric Facility Debt (3141)			Halmond Center Debt (3142)/(3143)		
	Budget	Actual	Variance	Budget	Actual	Variance
<b>Revenues</b>						
<b>Grants</b>						
State	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal	-	-	-	-	-	-
Federal pass-thru	-	-	-	-	-	-
Local units	-	-	-	-	-	-
Charges for services rendered	-	-	-	-	-	-
Contributions from private sources	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Investment income	716	717	1	300	399	99
Taxes	-	-	-	-	-	-
Rentals	167,115	167,414	299	191,134	192,515	1,381
Special assessments	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>167,831</u>	<u>168,131</u>	<u>300</u>	<u>191,434</u>	<u>192,914</u>	<u>1,480</u>
<b>Expenditures</b>						
<b>Current operations</b>						
Judicial	-	-	-	-	-	-
General County government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	138	438	(300)	1,338	1,188	150
Welfare	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
<b>Debt Services</b>						
Principal	200,000	200,000	-	150,000	150,000	-
Interest	4,958	4,958	-	42,294	42,294	-
Other	-	-	-	-	-	-
<b>Capital outlay</b>						
	<u>205,096</u>	<u>205,396</u>	<u>(300)</u>	<u>193,632</u>	<u>193,482</u>	<u>150</u>
<b>Revenues over (under) expenditures</b>	<b>(37,265)</b>	<b>(37,265)</b>	<b>-</b>	<b>(2,198)</b>	<b>(568)</b>	<b>1,630</b>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(37,265)</b>	<b>(37,265)</b>	<b>-</b>	<b>(2,198)</b>	<b>(568)</b>	<b>1,630</b>
<b>Fund balance at beginning of year</b>	<b>37,265</b>	<b>37,265</b>	<b>-</b>	<b>568</b>	<b>568</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$ 1,630)</b>	<b>\$ -</b>	<b>\$ 1,630</b>

# County of Muskegon

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Major Governmental Fund - Water and Sewer Debt Year Ended September 30, 2005

Water and Sewer Debt - 3650				
	Original Budget	Final Budget	Actual	Difference (+/-)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Operating grants and contributions	-	-	-	-
Charges for services	11,407	12,444	-	(12,444)
Fines and forfeitures	-	-	-	-
Investment income	39,459	39,745	8,254	(31,491)
Rentals	-	-	-	-
Special assessments	425,000	275,000	425,000	150,000
Contributions from private sources	-	-	-	-
Other	1,421	342	333	(9)
<b>Total revenues</b>	<b>477,287</b>	<b>327,531</b>	<b>433,587</b>	<b>106,056</b>
<b>Expenditures</b>				
<b>Current operations</b>				
Legislative	-	-	-	-
Judicial	-	-	-	-
General County government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture	-	-	-	-
Recreation	-	-	-	-
Other	5,955	8,928	1,796	7,132
Capital outlay	-	-	-	-
<b>Debt service</b>				
Principal payments	410,000	1,020,000	1,020,000	-
Interest	32,250	32,250	32,251	(1)
Other	-	455	-	455
<b>Total expenditures</b>	<b>448,205</b>	<b>1,061,633</b>	<b>1,054,047</b>	<b>7,586</b>
<b>Revenues over (under) expenditures</b>	<b>29,082</b>	<b>(734,102)</b>	<b>(620,460)</b>	<b>113,642</b>
<b>Other financing sources (uses)</b>				
Sales of Fixed Assets	-	-	-	-
Transfers in	67,250	641,377	641,377	-
Transfers (out)	-	-	-	-
	<b>67,250</b>	<b>641,377</b>	<b>641,377</b>	<b>-</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>96,332</b>	<b>(92,725)</b>	<b>20,917</b>	<b>113,642</b>
<b>Fund balance at beginning of year</b>	<b>444,616</b>	<b>444,616</b>	<b>444,616</b>	<b>-</b>
<b>Fund balance at end of year</b>	<b>\$ 540,948</b>	<b>\$ 351,891</b>	<b>\$ 465,533</b>	<b>\$ 113,642</b>

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## **NON-MAJOR PROPRIETARY FUNDS**

Fairgrounds Operations (5083)--to account for building and maintaining the county fairgrounds and horse training track. Funds are provided by the renting of horse stalls.

Delinquent Tax Revolving Funds (5100, 5110, 5162, 5163, 5164)--to account for monies borrowed in anticipation of delinquent taxes being collected. The purpose of these funds is to pay each local unit, including the county's General Fund, the respective amount of taxes that are not collected as of March 1 of each year.

Fly Ash Program (5711)--to record the revenues received from, and the expenses made for, the disposal of fly ash. Monies for the operation of this fund are provided by charges to Consumers Power and Sappi for services.

Muskegon Area Transit System (5880)--the Muskegon Area Transit System provides public transportation with ten regular routes and two special routes. The sources of funds are the Michigan Department of Transportation (paying 35% of the operating costs), the Urban Mass Transportation Administration (paying 50% of the operating costs), and the local contributions (paying 15% of the operating costs).

Muskegon Trolley Company (5890)--provides local transportation for tourists and special events within the County. All funds are local in nature.

Northside Water (5910)--established for the connections and continued maintenance and operation of a water system for the townships of Dalton, Laketon, and Muskegon.

***County of Muskegon***

***Other Non-Major Proprietary Funds  
Combining Statement of Net Assets***

***September 30, 2005***

				2002	2003
	Fairgrounds	Delinquent	Tax	Delinquent	Delinquent
	Operation	Tax	Forfeitures	Tax	Tax
	(5083)	Revolving	(5110)	Revolving	Revolving
ASSETS		(5100)		(5162)	(5163)
<b>CURRENT ASSETS</b>					
Cash and cash investments	\$ 1,170,598	\$ -	\$ -	\$ -	\$ 6,109,113
Accounts receivable	18,600	-	86,507	-	11,095
Intergovernmental receivable	-	-	-	-	-
Accrued interest receivable	8,460	7	208	-	77,864
Current portion of delinquent taxes receivable	-	180,550	-	-	1,313,629
Current portion of interest and penalties receivable on delinquent taxes	-	-	-	-	411,997
Prepaid expenses	89,752	-	-	-	-
Inventories	-	-	-	-	-
Restricted assets	-	-	-	-	-
<b>Total current assets</b>	<b>1,287,410</b>	<b>180,557</b>	<b>86,715</b>	<b>-</b>	<b>7,923,698</b>
<b>NONCURRENT ASSETS</b>					
Property and Equipment - at cost					
Land	-	-	-	-	-
Land improvements	676,091	-	-	-	-
Buildings	1,857,953	-	-	-	-
Machinery and equipment	92,041	-	-	-	-
<b>Total Property and Equipment</b>	<b>2,626,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less accumulated depreciation	(1,004,056)	-	-	-	-
<b>Property and Equipment - net</b>	<b>1,622,029</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DELINQUENT TAXES RECEIVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361,796</b>
<b>INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,213</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,909,439</b>	<b>\$ 180,557</b>	<b>\$ 86,715</b>	<b>\$ -</b>	<b>\$ 8,368,707</b>

***County of Muskegon***

***Other Non-Major Proprietary Funds  
Combining Statement of Net Assets***

***September 30, 2005***

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 620	\$ -	\$ 76,566	\$ -	\$ -
Accrued liabilities	20,394	-	-	-	15,000
Current portion of long term debt	205,000	-	-	-	1,500,000
Total current liabilities	<u>226,014</u>	<u>-</u>	<u>76,566</u>	<u>-</u>	<u>1,515,000</u>
<b>NONCURRENT LIABILITIES</b>					
Tax anticipation notes payable	-	-	-	-	-
Due to other funds	-	38,006	3,365	-	-
Long term debt	575,000	-	-	-	-
Total noncurrent liabilities	<u>575,000</u>	<u>38,006</u>	<u>3,365</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>801,014</u>	<u>38,006</u>	<u>79,931</u>	<u>-</u>	<u>1,515,000</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	842,029	-	-	-	-
Unreserved	1,266,396	142,551	6,784	-	6,853,707
<b>TOTAL NET ASSETS</b>	<u>\$ 2,108,425</u>	<u>\$ 142,551</u>	<u>\$ 6,784</u>	<u>\$ -</u>	<u>\$ 6,853,707</u>

# County of Muskegon

## Other Non-Major Proprietary Funds Combining Statement of Net Assets

September 30, 2005

	2004 Delinquent Tax Revolving (5164)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash investments	\$ 3,336,132	\$ 1,361,232	\$ -	\$ 20,980	\$ 1,328,932	\$ 13,326,987
Accounts receivable	-	-	34,163	-	71,637	222,002
Intergovernmental receivable	-	-	1,099,739	-	320,175	1,419,914
Accrued interest receivable	9,389	12,845	503	133	13,676	123,085
Current portion of delinquent taxes receivable	2,790,868	-	-	-	-	4,285,047
Current portion of interest and penalties receivable on delinquent taxes	306,996	-	-	-	-	718,993
Prepaid expenses	-	-	-	-	-	89,752
Inventories	-	516	-	-	-	516
Restricted assets	-	120,099	-	-	-	120,099
<b>Total current assets</b>	<b>6,443,385</b>	<b>1,494,692</b>	<b>1,134,405</b>	<b>21,113</b>	<b>1,734,420</b>	<b>20,306,395</b>
<b>NONCURRENT ASSETS</b>						
<b>Property and Equipment - at cost</b>						
Land	-	-	199,487	-	-	199,487
Land improvements	-	-	-	-	-	676,091
Buildings	-	210,273	5,799,390	-	-	7,867,616
Machinery and equipment	-	67,387	5,187,926	45,000	-	5,392,354
<b>Total Property and Equipment</b>	<b>-</b>	<b>277,660</b>	<b>11,186,803</b>	<b>45,000</b>	<b>-</b>	<b>14,135,548</b>
Less accumulated depreciation	-	(131,417)	(4,923,181)	(5,625)	-	(6,064,279)
<b>Property and Equipment - net</b>	<b>-</b>	<b>146,243</b>	<b>6,263,622</b>	<b>39,375</b>	<b>-</b>	<b>8,071,269</b>
<b>DELINQUENT TAXES RECEIVABLE</b>	<b>3,410,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,772,782</b>
<b>INTEREST AND PENALTIES RECEIVABLE ON DELINQUENT TAXES</b>	<b>375,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>458,430</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,229,588</b>	<b>\$ 1,640,935</b>	<b>\$ 7,398,027</b>	<b>\$ 60,488</b>	<b>\$ 1,734,420</b>	<b>\$ 32,608,876</b>

**County of Muskegon**

**Other Non-Major Proprietary Funds  
Combining Statement of Net Assets**

**September 30, 2005**

	<b>2004 Delinquent Tax Revolving (5164)</b>	<b>Fly Ash Program (5711)</b>	<b>Muskegon Area Transit System (5880)</b>	<b>Muskegon Trolley Company (5890)</b>	<b>Northside Water (5910)</b>	<b>Totals</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 46,949	\$ -	\$ 110,040	\$ 234,175
Accrued liabilities	49,778	9,185	228,084	106	4,608	327,155
Current portion of long term debt	<u>7,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,205,000</u>
Total current liabilities	<u>7,549,778</u>	<u>9,185</u>	<u>275,033</u>	<u>106</u>	<u>114,648</u>	<u>9,766,330</u>
<b>NONCURRENT LIABILITIES</b>						
Tax anticipation notes payable	1,500,000	-	-	-	-	1,500,000
Due to other funds	-	-	597,834	-	-	639,205
Long term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>575,000</u>
Total noncurrent liabilities	<u>1,500,000</u>	<u>-</u>	<u>597,834</u>	<u>-</u>	<u>-</u>	<u>2,714,205</u>
<b>TOTAL LIABILITIES</b>	<u>9,049,778</u>	<u>9,185</u>	<u>872,867</u>	<u>106</u>	<u>114,648</u>	<u>12,480,535</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	-	146,243	6,263,622	39,375	-	7,291,269
Unreserved	<u>1,179,810</u>	<u>1,485,507</u>	<u>261,538</u>	<u>21,007</u>	<u>1,619,772</u>	<u>12,837,072</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,179,810</u>	<u>\$ 1,631,750</u>	<u>\$ 6,525,160</u>	<u>\$ 60,382</u>	<u>\$ 1,619,772</u>	<u>\$ 20,128,341</u>



# *County of Muskegon*

## *Other Non-Major Proprietary Funds*

### *Statement of Revenues, Expenses*

#### *and Changes in Fund Net Assets*

*For the the Year ended September 30, 2005*

	Fairgrounds Operation (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>Operating revenues</b>					
Charges for services	\$ 121,700	\$ -	\$ 235,170	\$ -	\$ -
Interest and penalties on delinquent taxes	-	73,735	-	-	711,769
Other	32,481	-	-	-	-
	<u>154,181</u>	<u>73,735</u>	<u>235,170</u>	<u>-</u>	<u>711,769</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	20,748	-	-	-	-
Supplies and other operating expenses	57,187	5,912	228,823	-	9,938
Interest expense	-	-	-	-	154,000
Depreciation and amortization	63,511	-	-	-	-
	<u>141,446</u>	<u>5,912</u>	<u>228,823</u>	<u>-</u>	<u>163,938</u>
<b>Operating income (loss)</b>	<b>12,735</b>	<b>67,823</b>	<b>6,347</b>	<b>-</b>	<b>547,831</b>
<b>Non-Operating revenues (expenses)</b>					
Operating subsidies	-	-	-	-	-
Interest income	20,352	-	437	-	189,033
Interest expense	(75,319)	-	-	-	-
Other (net)	-	-	-	-	-
	<u>(54,967)</u>	<u>-</u>	<u>437</u>	<u>-</u>	<u>189,033</u>
<b>Income (loss) before contributions and transfers</b>	<b>(42,232)</b>	<b>67,823</b>	<b>6,784</b>	<b>-</b>	<b>736,864</b>
<b>Capital contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers in	257,232	-	-	-	6,723,651
Transfers (out)	-	-	-	(6,723,651)	(1,709,046)
	<u>257,232</u>	<u>-</u>	<u>-</u>	<u>(6,723,651)</u>	<u>5,014,605</u>
<b>NET INCOME (LOSS)</b>	<b>215,000</b>	<b>67,823</b>	<b>6,784</b>	<b>(6,723,651)</b>	<b>5,751,469</b>
<b>Net Assets at beginning of year</b>	<b>1,893,425</b>	<b>74,728</b>	<b>-</b>	<b>6,723,651</b>	<b>1,102,238</b>
<b>Net Assets at end of year</b>	<b>\$ 2,108,425</b>	<b>\$ 142,551</b>	<b>\$ 6,784</b>	<b>\$ -</b>	<b>\$ 6,853,707</b>

# County of Muskegon

## Other Non-Major Proprietary Funds

### Statement of Revenues, Expenses

#### and Changes in Fund Net Assets

For the the Year ended September 30, 2005

	2004 Delinquent Tax Revolving (5164)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>Operating revenues</b>						
Charges for services	\$ -	\$ -	\$ 311,838	\$ 15,693	\$ 702,041	\$ 1,386,442
Interest and penalties on delinquent taxes	1,226,611	-	-	-	-	2,012,115
Other	-	-	312	-	8,200	40,993
	<u>1,226,611</u>	<u>-</u>	<u>312,150</u>	<u>15,693</u>	<u>710,241</u>	<u>3,439,550</u>
<b>Operating expenses</b>						
Salaries and fringe benefits	-	61,033	1,798,170	866	67,209	1,948,026
Supplies and other operating expenses	18,929	75,297	903,096	4,412	571,797	1,875,391
Interest expense	40,778	-	-	-	-	194,778
Depreciation and amortization	-	12,196	516,177	4,500	-	596,384
	<u>59,707</u>	<u>148,526</u>	<u>3,217,443</u>	<u>9,778</u>	<u>639,006</u>	<u>4,614,579</u>
<b>Operating income (loss)</b>	<b>1,166,904</b>	<b>(148,526)</b>	<b>(2,905,293)</b>	<b>5,915</b>	<b>71,235</b>	<b>(1,175,029)</b>
<b>Non-Operating revenues (expenses)</b>						
Operating subsidies	-	-	2,299,447	-	-	2,299,447
Interest income	12,906	29,680	2,274	229	63,153	318,064
Interest expense	-	-	-	-	-	(75,319)
Other (net)	-	(129)	3,706	-	-	3,577
	<u>12,906</u>	<u>29,551</u>	<u>2,305,427</u>	<u>229</u>	<u>63,153</u>	<u>2,545,769</u>
<b>Income (loss) before contributions and transfers</b>	<b>1,179,810</b>	<b>(118,975)</b>	<b>(599,866)</b>	<b>6,144</b>	<b>134,388</b>	<b>1,370,740</b>
<b>Capital contributions</b>	<b>-</b>	<b>-</b>	<b>234,819</b>	<b>-</b>	<b>-</b>	<b>234,819</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,980,883</b>
<b>Transfers (out)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(641,377)</b>	<b>(9,074,074)</b>
	<u>-</u>	<u>-</u>	<u>234,819</u>	<u>-</u>	<u>(641,377)</u>	<u>(1,858,372)</u>
<b>NET INCOME (LOSS)</b>	<b>1,179,810</b>	<b>(118,975)</b>	<b>(365,047)</b>	<b>6,144</b>	<b>(506,989)</b>	<b>(487,632)</b>
<b>Net Assets at beginning of year</b>	<b>-</b>	<b>1,750,725</b>	<b>6,890,207</b>	<b>54,238</b>	<b>2,126,761</b>	<b>20,615,973</b>
<b>Net Assets at end of year</b>	<b><u>\$ 1,179,810</u></b>	<b><u>\$ 1,631,750</u></b>	<b><u>\$ 6,525,160</u></b>	<b><u>\$ 60,382</u></b>	<b><u>\$ 1,619,772</u></b>	<b><u>\$ 20,128,341</u></b>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS**

**For the Year ended September 30, 2005**

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 121,700	\$ 73,735	\$ 148,663	\$ 7,568	\$ 700,674
Cash Payments to Suppliers of Goods and Services	(40,217)	(5,912)	(228,823)	-	(9,938)
Cash Payments to Employees for Services	(20,748)	-	-	-	-
Note Proceeds	-	-	-	-	-
Tax collections	-	-	-	-	-
Delinquent tax payments to municipalities	-	-	-	-	-
Interest paid	-	-	-	(8,500)	(235,000)
Other receipts (payments)	32,481	-	-	-	-
Net cash provided by (used for) Operating Activities	93,216	67,823	(80,160)	(932)	455,736
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Tax collections	-	(135,556)	76,566	1,941,096	4,655,241
Note payments	-	-	-	(1,500,000)	(7,500,000)
Operating Subsidies from Grants	-	-	-	-	-
Transfers to other funds	-	-	-	(6,723,651)	(1,709,046)
Transfers from other funds	257,232	-	-	-	6,723,651
Advances from (to) other funds	-	38,006	3,365	-	-
Net cash provided by (used for) noncapital financing activities	257,232	(97,550)	79,931	(6,282,555)	2,169,846
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on long term debt	(215,000)	-	-	-	-
Interest payments on long term debt	(80,406)	-	-	-	-
Purchase of fixed assets	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	(295,406)	-	-	-	-

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

**For the Year ended September 30, 2005**

	Fairgrounds Operations (5083)	Delinquent Tax Revolving (5100)	Tax Forfeitures (5110)	2002 Delinquent Tax Revolving (5162)	2003 Delinquent Tax Revolving (5163)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Interest received from investment pool	19,219	71	229	74,789	118,428
Net cash provided by investing activities	19,219	71	229	74,789	118,428
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	74,261	(29,656)	-	(6,208,698)	2,744,010
Cash and cash equivalents, September 30, 2004	1,096,337	29,656	-	6,208,698	3,365,103
Cash and cash equivalents, September 30, 2005	<u>\$ 1,170,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,109,113</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	<u>\$ 12,735</u>	<u>\$ 67,823</u>	<u>\$ 6,347</u>	<u>\$ -</u>	<u>\$ 547,831</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	63,511	-	-	-	-
Changes in Assets and Liabilities:					
(Increase) decrease in accounts receivable	-		(86,507)	7,568	(11,095)
Increase (decrease) in accounts payable	(2,614)	-	-	-	-
(Increase) decrease in prepaid expenses	19,584	-	-	-	-
(Increase) decrease in restricted assets	-	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-	-
Increase (decrease) in accruals	-	-	-	(8,500)	(81,000)
Total Adjustments	<u>80,481</u>	<u>-</u>	<u>(86,507)</u>	<u>(932)</u>	<u>(92,095)</u>
Net cash provided by (used for) operations	<u>\$ 93,216</u>	<u>\$ 67,823</u>	<u>(\$ 80,160)</u>	<u>(\$ 932)</u>	<u>\$ 455,736</u>

*County of Muskegon*

*Other Non-Major Proprietary Funds*

**COMBINING STATEMENT OF CASH FLOWS**

*For the Year ended September 30, 2005*

	2004 Delinquent Tax Revolving (5164)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 1,226,611	\$ -	\$ 887,143	\$ 25,863	\$ 700,153	\$ 3,892,110
Cash Payments to Suppliers of Goods and Services	(18,929)	(82,530)	(884,346)	(4,412)	(493,501)	(1,768,608)
Cash Payments to Employees for Services	-	(60,602)	(1,761,696)	(789)	(63,936)	(1,907,771)
Note Proceeds	9,000,000	-	-	-	-	9,000,000
Tax collections	5,282,212	-	-	-	-	5,282,212
Delinquent tax payments to municipalities	(14,282,212)	-	-	-	-	(14,282,212)
Interest paid	9,000	-	-	-	-	(234,500)
Other receipts (payments)	-	-	312	-	8,200	40,993
Net cash provided by (used for) Operating Activities	<u>1,216,682</u>	<u>(143,132)</u>	<u>(1,758,587)</u>	<u>20,662</u>	<u>150,916</u>	<u>22,224</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Tax collections	2,115,933	-	-	-	-	8,653,280
Note payments	-	-	-	-	-	(9,000,000)
Operating Subsidies from Grants	-	-	1,624,048	-	-	1,624,048
Transfers to other funds	-	-	-	-	(641,377)	(9,074,074)
Transfers from other funds	-	-	-	-	-	6,980,883
Advances from (to) other funds	-	-	(29,574)	-	-	11,797
Net cash provided by (used for) noncapital financing activities	<u>2,115,933</u>	<u>-</u>	<u>1,594,474</u>	<u>-</u>	<u>(641,377)</u>	<u>(804,066)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	-	-	-	(215,000)
Interest payments on long term debt	-	-	-	-	-	(80,406)
Purchase of fixed assets	-	-	(234,819)	-	-	(234,819)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(234,819)</u>	<u>-</u>	<u>-</u>	<u>(530,225)</u>

**County of Muskegon**

**Other Non-Major Proprietary Funds**

**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**

**For the Year ended September 30, 2005**

	2004 Delinquent Tax Revolving (5164)	Fly Ash Program (5711)	Muskegon Area Transit System (5880)	Muskegon Trolley Company (5890)	Northside Water (5910)	Totals
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	3,517	30,017	2,782	96	63,792	312,940
Net cash provided by investing activities	3,517	30,017	2,782	96	63,792	312,940
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,336,132	(113,115)	(396,150)	20,758	(426,669)	(999,127)
Cash and cash equivalents, September 30, 2004	-	1,474,347	396,150	222	1,755,601	14,326,114
Cash and cash equivalents, September 30, 2005	<u>\$ 3,336,132</u>	<u>\$ 1,361,232</u>	<u>\$ -</u>	<u>\$ 20,980</u>	<u>\$ 1,328,932</u>	<u>\$ 13,326,987</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>\$ 1,166,904</u>	<u>(\$ 148,526)</u>	<u>(\$ 2,905,293)</u>	<u>\$ 5,915</u>	<u>\$ 71,235</u>	<u>(\$ 1,175,029)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	12,196	516,177	4,500	-	596,384
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	-	-	(22,529)	10,170	(1,888)	(104,281)
Increase (decrease) in accounts payable	-	(5,368)	18,750	-	78,296	89,064
(Increase) decrease in prepaid expenses	-	-	-	-	-	19,584
(Increase) decrease in restricted assets	-	(1,865)	-	-	-	(1,865)
Increase (decrease) in due to other funds	-	-	597,834	-	-	597,834
Increase (decrease) in accruals	49,778	431	36,474	77	3,273	533
Total Adjustments	<u>49,778</u>	<u>5,394</u>	<u>1,146,706</u>	<u>14,747</u>	<u>79,681</u>	<u>1,197,253</u>
Net cash provided by (used for) operations	<u>\$ 1,216,682</u>	<u>(\$ 143,132)</u>	<u>(\$ 1,758,587)</u>	<u>\$ 20,662</u>	<u>\$ 150,916</u>	<u>\$ 22,224</u>

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## **INTERNAL SERVICE FUNDS**

Central Stores (6330)--to account for the general county printing services which provides all common offices with necessary support.

County South Campus (6340)--to account for the operations and maintenance of county buildings clustered in a one block area. This fund is self-sustaining with the revenues generated to be used for maintaining the buildings.

Equipment Revolving (6660)--to account for revenues collected on equipment leased to user departments of the county. The fund is self-sustaining with the revenues generated to be used for replacement of broken and outdated equipment.

Insurance (6770)--to account for revenues collected from user departments for the payment of insurance premiums and claims. The county is self-insured for workers' compensation, unemployment insurance, health insurance, dental insurance and collision on auto fleet insurance.

CMH ISF Risk (6772)--to cover the potential risk of actual expenses associated with the delivery of behavioral health and developmental disabilities services to the Medicaid and uninsured population exceeding a contractual funding level.



**County of Muskegon**

**Internal Service Funds  
Combining Balance Sheet**

**September 30, 2005**

ASSETS	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 200,690	\$ 31,569	\$ 1,111,370	\$ 10,655,625	\$ 2,386,181	\$ 14,385,435
Accounts receivable	8,935	-	79	500	-	9,514
Accrued interest receivable	1,063	-	8,341	95,832	22,755	127,991
Total current assets	210,688	31,569	1,119,790	10,751,957	2,408,936	14,522,940
<b>NONCURRENT ASSETS</b>						
Long-term note receivable	-	-	1,886,899	200,000	-	2,086,899
Long-term advance to other funds	-	-	-	1,135,937	-	1,135,937
<b>Property and Equipment - at cost</b>						
Land	-	-	444,908	-	-	444,908
Buildings	-	-	1,610,998	-	-	1,610,998
Machinery and equipment	-	-	9,741,165	-	-	9,741,165
Construction in progress	-	-	2,958,986	-	-	2,958,986
Total Property and Equipment	-	-	14,756,057	-	-	14,756,057
Less accumulated depreciation	-	-	(7,566,796)	-	-	(7,566,796)
Total Property and Equipment - net	-	-	7,189,261	-	-	7,189,261
<b>TOTAL ASSETS</b>	<b>\$ 210,688</b>	<b>\$ 31,569</b>	<b>\$ 10,195,950</b>	<b>\$ 12,087,894</b>	<b>\$ 2,408,936</b>	<b>\$ 24,935,037</b>

***County of Muskegon***

***Internal Service Funds  
Combining Balance Sheet***

***September 30, 2005***

<b>LIABILITIES AND NET ASSETS</b>	<b>Central Stores (6330)</b>	<b>County South Campus (6340)</b>	<b>Equipment Revolving (6660)</b>	<b>Insurance (6770)</b>	<b>CMH ISF Risk (6772)</b>	<b>Totals</b>
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 20,890	\$ 27,837	\$ 82,346	\$ 406,374	\$ -	\$ 537,447
Current portion of long term debt	-	-	1,140,930	-	-	1,140,930
Accrued liabilities	47,816	3,732	35,317	5,921,517	-	6,008,382
Deferred Revenue	-	-	1,496,110	-	-	1,496,110
<b>Total current liabilities</b>	<b>68,706</b>	<b>31,569</b>	<b>2,754,703</b>	<b>6,327,891</b>	<b>-</b>	<b>9,182,869</b>
<b>NONCURRENT LIABILITIES</b>						
Land Contract Payable	-	-	94,405	-	-	94,405
Long-term Debt	-	-	3,384,487	-	-	3,384,487
Long-term advances from other funds	-	-	638,520	-	-	638,520
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>4,117,412</b>	<b>-</b>	<b>-</b>	<b>4,117,412</b>
<b>TOTAL LIABILITIES</b>	<b>68,706</b>	<b>31,569</b>	<b>6,872,115</b>	<b>6,327,891</b>	<b>-</b>	<b>13,300,281</b>
<b>NET ASSETS</b>						
Invested in capital assets - net of related debt	-	-	3,323,835	-	-	3,323,835
Unreserved	141,982	-	-	5,760,003	2,408,936	8,310,921
<b>TOTAL NET ASSETS</b>	<b>\$ 141,982</b>	<b>\$ -</b>	<b>\$ 3,323,835</b>	<b>\$ 5,760,003</b>	<b>\$ 2,408,936</b>	<b>\$ 11,634,756</b>

**County of Muskegon**

**Internal Service Funds**

**Combining Statement of Revenues, Expenses**

**and Changes in fund Net Assets**

**Year ended September 30, 2005**

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Totals
<b>Operating revenues</b>						
Premiums	\$ -	\$ -	\$ -	\$ 15,089,374	\$ -	\$ 15,089,374
Rents	-	695,658	1,217,444	-	-	1,913,102
Other	595,702	-	771,723	1,790,495	-	3,157,920
	<u>595,702</u>	<u>695,658</u>	<u>1,989,167</u>	<u>16,879,869</u>	<u>-</u>	<u>20,160,396</u>
<b>Operating expenses</b>						
Salaries and fringes	190,776	141,427	41	1,422,334	-	1,754,578
Supplies and other operating expenses	458,652	539,684	622,316	3,585,038	-	5,205,690
Insurance benefits and claims	-	-	-	1,391,751	152,897	1,544,648
Insurance premiums	-	14,547	1,308	11,907,666	-	11,923,521
Interest expense	-	-	184,096	-	-	184,096
Depreciation	-	-	1,034,876	-	-	1,034,876
	<u>649,428</u>	<u>695,658</u>	<u>1,842,637</u>	<u>18,306,789</u>	<u>152,897</u>	<u>21,647,409</u>
<b>Operating income (loss)</b>	<b>(53,726)</b>	<b>-</b>	<b>146,530</b>	<b>(1,426,920)</b>	<b>(152,897)</b>	<b>(1,487,013)</b>
<b>Non-Operating revenues (expenses)</b>						
Investment income	2,576	-	22,176	227,106	51,916	303,774
Other	-	-	9,516	-	-	9,516
<b>Income (loss) before transfers</b>	<b>(51,150)</b>	<b>-</b>	<b>178,222</b>	<b>(1,199,814)</b>	<b>(100,981)</b>	<b>(1,173,723)</b>
<b>Transfers in</b>	<b>-</b>	<b>-</b>	<b>13,901</b>	<b>-</b>	<b>-</b>	<b>13,901</b>
	<u>-</u>	<u>-</u>	<u>13,901</u>	<u>-</u>	<u>-</u>	<u>13,901</u>
<b>NET INCOME (LOSS)</b>	<b>(51,150)</b>	<b>-</b>	<b>192,123</b>	<b>(1,199,814)</b>	<b>(100,981)</b>	<b>(1,159,822)</b>
<b>Net Assets at beginning of year</b>	<b>193,132</b>	<b>-</b>	<b>3,131,712</b>	<b>6,959,817</b>	<b>2,509,917</b>	<b>12,794,578</b>
<b>Net Assets at end of year</b>	<b>\$ 141,982</b>	<b>\$ -</b>	<b>\$ 3,323,835</b>	<b>\$ 5,760,003</b>	<b>\$ 2,408,936</b>	<b>\$ 11,634,756</b>

*County of Muskegon*

*Governmental Activities Internal Service Funds*

*Statement of Cash Flows*

*For the Year ended September 30, 2005*

	Central Stores (6330)	County South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers/Other Funds	\$ 591,924	\$ 695,658	\$ 1,989,150	\$ 16,877,577	\$ -	\$ 20,154,309
Cash Payments to Suppliers of Goods and Services	(448,081)	(572,861)	160,329	(14,782,627)	(152,897)	(15,796,137)
Cash Payments to Employees for Services	(185,722)	(145,186)	(41)	(1,422,334)	-	(1,753,283)
Net cash provided by (used for) Operating Activities	(41,879)	(22,389)	2,149,438	672,616	(152,897)	2,604,889
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances to other funds	-	-	(32,700)	-	-	(32,700)
Transfers in	-	-	13,901	-	-	13,901
Net cash provided by (used for) noncapital financing activities	-	-	(18,799)	-	-	(18,799)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Principal payments on long term debt	-	-	(868,624)	-	-	(868,624)
Note Issuance	-	-	1,367,115	-	-	1,367,115
Principal received on long term advances	-	-	1,382,941	74,344	-	1,457,285
Sales of Assets	-	-	9,516	-	-	9,516
Purchase of fixed assets	-	-	(1,512,343)	-	-	(1,512,343)
Construction in Progress	-	-	(1,584,631)	-	-	(1,584,631)
Net cash provided by (used for) capital and related financing activities	-	-	(1,206,026)	74,344	-	(1,131,682)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received from investment pool	3,132	-	15,981	203,226	48,835	271,174
Net cash provided by investing activities	3,132	-	15,981	203,226	48,835	271,174
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(38,747)	(22,389)	940,594	950,186	(104,062)	1,725,582
Cash and cash equivalents, September 30, 2004	239,437	53,958	170,776	9,705,439	2,490,243	12,659,853
Cash and cash equivalents, September 30, 2005	\$ 200,690	\$ 31,569	\$ 1,111,370	\$ 10,655,625	\$ 2,386,181	\$ 14,385,435

This Statement covers more than one page.

*County of Muskegon*

*Governmental Activities Internal Service Funds*

*Statement of Cash Flows - continued*

*For the Year ended September 30, 2005*

	Central Stores (6330)	South Campus (6340)	Equipment Revolving (6660)	Insurance (6770)	CMH ISF Risk (6772)	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>						
Operating income (loss)	<u>(\$ 53,726)</u>	<u>\$ -</u>	<u>\$ 146,530</u>	<u>(\$ 1,426,920)</u>	<u>(\$ 152,897)</u>	<u>(\$ 1,487,013)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	-	-	1,034,876	-	-	1,034,876
Changes in Assets and Liabilities:						
(Increase) decrease in accounts receivable	(3,778)	-	(17)	3,208	-	(587)
Increase (decrease) in accounts payable	10,571	(18,630)	25,504	126,888	-	144,333
Increase (decrease) in deferred revenue	-	-	907,228	(5,500)	-	901,728
Increase (decrease) in accrued liabilities	<u>5,054</u>	<u>(3,759)</u>	<u>35,317</u>	<u>1,974,940</u>	<u>-</u>	<u>2,011,552</u>
Total Adjustments	<u>11,847</u>	<u>(22,389)</u>	<u>2,002,908</u>	<u>2,099,536</u>	<u>-</u>	<u>4,091,902</u>
Net cash provided by (used for) operations	<u>(\$ 41,879)</u>	<u>(\$ 22,389)</u>	<u>\$ 2,149,438</u>	<u>\$ 672,616</u>	<u>(\$ 152,897)</u>	<u>\$ 2,604,889</u>

This Statement covers more than one page.

## **AGENCY FUNDS**

Agency (7010)--to hold monies for later distribution to other agencies or persons. Specifically, District Court holds ordinance fines and costs, appearance bonds, garnishments and restitutions. The Treasurer holds accounts including tax reverted lands, swamp land tax, payments in lieu of taxes and current real and personal property taxes. The administrative area hold Social Security payments, retirement payments, state-withheld income taxes and other payroll deductions.

Library Penal Fines (7210)--to account for monies received from District Court fines, in accordance with state statute (Section 4851 of Act 236 of the Public Acts of 1961), which are allocated annually for operations of the county's libraries.

Central Dispatch (7708)--to account for monies received from state and local grants, as well as assessments on participating municipalities for the operation and updating of the public safety communications services.

Labor Management Program (7910)--to account for monies received from various employers who provide funding for this program, the purpose of which is to improve productivity and the quality of work life by assisting in the establishment of good labor-management relationships.

Muskegon Veterans Affairs (7940)--to account for monies received for the operation of a veteran's center.

Orchard View (7982)--to account for monies received from the state for employment of economically disadvantaged youths.

*County of Muskegon*

*Agency Funds  
COMBINING BALANCE SHEET  
September 30, 2005*

	Agency Funds						
	Agency (7010)	Library Penal Fines (7210)	Central Dispatch (7708)	Labor Management Program (7910)	Muskegon Veterans Affairs (7940)	Orchard View (7982)	Totals
<b>ASSETS</b>							
Cash and cash investments	\$ 10,315,501	\$ 150,867	\$ 4,253,762	\$ 58,207	\$ 28,176	\$ 31,952	\$ 14,838,465
Accounts receivable	458,725	-	97,519	-	-	-	556,244
Accrued interest receivable	-	2,976	20,816	486	541	291	25,110
	<u>\$ 10,774,226</u>	<u>\$ 153,843</u>	<u>\$ 4,372,097</u>	<u>\$ 58,693</u>	<u>\$ 28,717</u>	<u>\$ 32,243</u>	<u>\$ 15,419,819</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 2,581	\$ -	\$ 16,590	\$ 2,828	\$ 3,673	\$ -	\$ 25,672
Intergovernmental payable	725,490	-	1,886,899	-	-	-	2,612,389
Undistributed current and delinquent taxes	7,815,629	-	-	-	-	-	7,815,629
Trust deposits	2,168,039	-	-	-	-	-	2,168,039
Accrued liabilities	-	-	41,375	880	-	-	42,255
Unallocated receipts	34,432	153,843	2,427,233	54,985	25,044	32,243	2,727,780
Fines and Fees due to local municipalities and libraries	28,055	-	-	-	-	-	28,055
	<u>\$ 10,774,226</u>	<u>\$ 153,843</u>	<u>\$ 4,372,097</u>	<u>\$ 58,693</u>	<u>\$ 28,717</u>	<u>\$ 32,243</u>	<u>\$ 15,419,819</u>

**County of Muskegon**

**Agency Funds**

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**

**For the Year ended September 30, 2005**

	Balance Oct. 1, 2004	Additions	Deductions	Balance Sept. 30, 2005
<b>Trust and Agency (7010)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 9,565,379	\$ 128,735,989	\$ 127,985,867	\$ 10,315,501
Accounts receivable	949,479	430,573	921,327	458,725
	<u>\$ 10,514,858</u>	<u>\$ 129,166,562</u>	<u>\$ 128,907,194</u>	<u>\$ 10,774,226</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 56,647	\$ 58,022,830	\$ 58,076,896	\$ 2,581
Intergovernmental payable	717,653	8,053,768	8,045,931	725,490
Undistributed current and delinquent taxes	7,545,630	72,647,245	72,377,246	7,815,629
Fines and fees due to local municipalities and libraries	26,100	311,435	309,480	28,055
Trust deposits	2,135,811	20,909,344	20,877,116	2,168,039
Unallocated receipts	33,017	37,502,462	37,501,047	34,432
	<u>\$ 10,514,858</u>	<u>\$ 197,447,084</u>	<u>\$ 197,187,716</u>	<u>\$ 10,774,226</u>
<b>Library Penal Fines (7210)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 153,152	\$ 600,171	\$ 602,456	\$ 150,867
Accrued interest receivable	3,048	7,285	7,357	2,976
	<u>\$ 156,200</u>	<u>\$ 607,456</u>	<u>\$ 609,813</u>	<u>\$ 153,843</u>
<b>LIABILITIES</b>				
Unallocated receipts	\$ 156,200	\$ 793,162	\$ 795,519	\$ 153,843
	<u>\$ 156,200</u>	<u>\$ 793,162</u>	<u>\$ 795,519</u>	<u>\$ 153,843</u>



County of Muskegon

Agency Funds

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued

For the Year ended September 30, 2005

	Balance Oct. 1, 2004	Additions	Deductions	Balance Sept. 30, 2005
<b>Central Dispatch (7708)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 5,643,164	\$ 3,573,508	\$ 4,962,910	\$ 4,253,762
Accounts receivable	73,691	1,340,755	1,316,927	97,519
Accrued interest receivable	15,042	46,775	41,001	20,816
	<u>\$ 5,731,897</u>	<u>\$ 4,961,038</u>	<u>\$ 6,320,838</u>	<u>\$ 4,372,097</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 492,871	\$ 834,261	\$ 1,310,542	\$ 16,590
Intergovernmental payable	3,269,840	-	1,382,941	1,886,899
Accrued liabilities	41,864	37,480	37,969	41,375
Unallocated receipts	1,927,322	3,295,998	2,796,087	2,427,233
	<u>\$ 5,731,897</u>	<u>\$ 4,167,739</u>	<u>\$ 5,527,539</u>	<u>\$ 4,372,097</u>
<b>Labor Management Program (7910)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 63,171	\$ 72,160	\$ 77,124	\$ 58,207
Accrued interest receivable	453	1,120	1,087	486
	<u>\$ 63,624</u>	<u>\$ 73,280</u>	<u>\$ 78,211</u>	<u>\$ 58,693</u>
Accounts payable	\$ 2,353	\$ 51,210	\$ 50,735	\$ 2,828
Accrued liabilities	875	880	875	880
Unallocated receipts	60,396	71,648	77,059	54,985
	<u>\$ 63,624</u>	<u>\$ 123,738</u>	<u>\$ 128,669</u>	<u>\$ 58,693</u>
<b>Muskegon Veterans Affairs (7940)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 19,555	\$ 295,546	\$ 286,925	\$ 28,176
Accrued interest receivable	472	1,145	1,076	541
	<u>\$ 20,027</u>	<u>\$ 296,691</u>	<u>\$ 288,001</u>	<u>\$ 28,717</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,881	\$ 249,904	\$ 252,112	\$ 3,673
Unallocated receipts	14,146	294,473	283,575	25,044
	<u>\$ 20,027</u>	<u>\$ 544,377</u>	<u>\$ 535,687</u>	<u>\$ 28,717</u>
<b>Orchard View (7982)</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 31,466	\$ 647	\$ 161	\$ 31,952
Accrued interest receivable	268	670	647	291
	<u>\$ 31,734</u>	<u>\$ 1,317</u>	<u>\$ 808</u>	<u>\$ 32,243</u>
<b>LIABILITIES</b>				
Unallocated receipts	<u>\$ 31,734</u>	<u>\$ 670</u>	<u>\$ 161</u>	<u>\$ 32,243</u>

*County of Muskegon*

*Agency Funds*

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - Continued**

**For the Year ended September 30, 2005**

	<u>Balance Oct. 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Sept. 30, 2005</u>
<b>TOTALS - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash investments	\$ 15,475,887	\$ 133,278,021	\$ 133,915,443	\$ 14,838,465
Accounts receivable	1,023,170	1,771,328	2,238,254	556,244
Accrued interest receivable	19,283	56,995	51,168	25,110
	<u>\$ 16,518,340</u>	<u>\$ 135,106,344</u>	<u>\$ 136,204,865</u>	<u>\$ 15,419,819</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 557,752	\$ 59,158,205	\$ 59,690,285	\$ 25,672
Accrued liabilities	42,739	38,360	38,844	42,255
Undistributed current and delinquent taxes	7,545,630	72,647,245	72,377,246	7,815,629
Intergovernmental payable	3,987,493	8,053,768	9,428,872	2,612,389
Fines and fees due to local municipalities and libraries	26,100	311,435	309,480	28,055
Trust deposits	2,135,811	20,909,344	20,877,116	2,168,039
Unallocated receipts	2,222,815	41,958,413	41,453,448	2,727,780
	<u>\$ 16,518,340</u>	<u>\$ 203,076,770</u>	<u>\$ 204,175,291</u>	<u>\$ 15,419,819</u>

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## STATISTICAL SECTION

This part of the County of Muskegon’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

### Financial Trends 171

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time

### Revenue Capacity 180

These schedules contain information to help the reader assess the County’s most significant local revenue source, the property tax.

### Debt Capacity 184

These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

### Demographic and Economic Information 189

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County financial activities take place.

### Operating Information 191

These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.

Source: Unless otherwise stated, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

***County of Muskegon***  
***NET ASSETS BY COMPONENT***  
***Last Six Fiscal Years***  
***(Accrual basis of Accounting)***  
***(amounts express in thousands)***  
(Unaudited)

<u>Fiscal Year</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$43,784	\$42,253	\$42,415	\$41,674	\$38,030	\$38,744
Restricted	21,604	16,160	7,444	10,581	9,288	3,915
Unrestricted	<u>(4,136)</u>	<u>2,172</u>	<u>743</u>	<u>(1,415)</u>	<u>7,798</u>	<u>9,037</u>
Total governmental activities net assets	<u>\$61,252</u>	<u>\$60,585</u>	<u>\$50,602</u>	<u>\$50,840</u>	<u>\$55,116</u>	<u>\$51,696</u>
Business-type activities						
Invested in capital assets, net of related debt	\$85,192	\$84,950	\$83,729	\$74,190	\$84,257	\$76,541
Restricted	3,464	1,917	3,670	8,947	9,443	4,146
Unrestricted	<u>23,698</u>	<u>24,873</u>	<u>23,261</u>	<u>28,903</u>	<u>3,437</u>	<u>15,101</u>
Total business-type activities net assets	<u>\$112,354</u>	<u>\$111,740</u>	<u>\$110,660</u>	<u>\$112,040</u>	<u>\$97,137</u>	<u>\$95,788</u>
<u>Primary government</u>						
Invested in capital assets, net of related debt	\$128,976	\$127,203	\$126,144	\$115,864	\$122,287	\$115,285
Restricted	25,068	18,077	11,114	19,528	18,731	8,061
Unrestricted	<u>19,562</u>	<u>27,045</u>	<u>24,004</u>	<u>27,488</u>	<u>11,235</u>	<u>24,138</u>
Total primary government net assets	<u>\$173,606</u>	<u>\$172,325</u>	<u>\$161,262</u>	<u>\$162,880</u>	<u>\$152,253</u>	<u>\$147,484</u>

# ***County of Muskegon***

## ***CHANGES IN NET ASSETS***

***Last Five Fiscal Years***

***(accrual basis of accounting)***

***(amounts expressed in thousands)***

**(Unaudited)**

	Fiscal Year				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Expenses</b>					
Governmental Activities					
Judicial	\$7,801	\$7,704	\$7,463	\$7,031	\$6,387
General County Government	22,972	20,814	19,442	19,840	19,216
Public Safety	12,923	12,619	11,844	10,804	10,707
Health	103,897	103,018	112,286	89,691	105,304
Welfare	7,668	8,507	8,855	7,745	7,197
Other	3,247	3,279	3,378	3,185	3,075
Debt Service expenses	<u>1,162</u>	<u>1,114</u>	<u>1,185</u>	<u>1,127</u>	<u>1,013</u>
Total Governmental Activity Expenses	<u>159,670</u>	<u>157,055</u>	<u>164,453</u>	<u>139,423</u>	<u>152,899</u>
Business-Type Activities					
Solid Waste	916	3,988	3,267	1,194	1,196
Airport	2,764	2,131	2,763	2,685	2,408
Wastewater	15,155	14,604	14,418	13,559	14,725
Other Proprietary Funds	<u>4,686</u>	<u>4,305</u>	<u>4,544</u>	<u>5,327</u>	<u>3,374</u>
Total Business-Type Activities	<u>23,521</u>	<u>25,028</u>	<u>24,992</u>	<u>22,765</u>	<u>21,703</u>
Total Primary Government Expenses	<u>\$183,191</u>	<u>\$182,083</u>	<u>\$189,445</u>	<u>\$162,188</u>	<u>\$174,602</u>

# County of Muskegon

## CHANGES IN NET ASSETS

Last Five Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b>Program Revenues</b>					
Governmental Activities					
Charges for Services					
Judicial	\$2,919	\$2,929	\$2,507	\$2,469	\$2,456
General County Government	6,425	7,213	7,324	6,082	6,515
Public Safety	842	1,034	1,698	543	1,210
Health	74,835	78,776	85,638	66,121	82,372
Other Activities	1,738	1,047	36	1,095	1,006
Operating Grants and Contributions	30,783	33,629	32,283	33,340	30,573
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>800</u>	<u>1,488</u>	<u>1,003</u>
Total Governmental Program Activities Revenues	<u>117,542</u>	<u>124,628</u>	<u>130,286</u>	<u>111,138</u>	<u>125,135</u>
Business-Type Activities					
Charges for Services					
Wastewater	12,281	12,796	10,656	11,102	10,326
Other	6,521	4,401	6,362	5,824	4,788
Operating Grants and Contributions	2,828	4,904	2,416	2,371	1,991
Capital Grants and Contributions	<u>2,380</u>	<u>3,201</u>	<u>3,348</u>	<u>8,429</u>	<u>3,029</u>
Total Business-Type Activities Program Revenues	<u>24,010</u>	<u>25,302</u>	<u>22,782</u>	<u>27,726</u>	<u>20,134</u>
Total Primary Government Program Revenues	<u>141,552</u>	<u>149,930</u>	<u>153,068</u>	<u>138,864</u>	<u>145,269</u>
<b>Net (expense)/revenue</b>					
Governmental Activities	(42,128)	(32,427)	(34,167)	(28,285)	(27,764)

# County of Muskegon

## CHANGES IN NET ASSETS

Last Five Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

(Unaudited)

	Fiscal Year				
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Business-Type Activities	<u>489</u>	<u>274</u>	<u>(2,210)</u>	<u>4,961</u>	<u>(1,569)</u>
Total Primary Government net expense	<u>(\$41,639)</u>	<u>(\$32,153)</u>	<u>(\$36,377)</u>	<u>(\$23,324)</u>	<u>(\$29,333)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities					
Property Taxes	\$31,294	\$24,227	\$23,196	\$22,013	\$20,769
Investment Earnings	1,149	759	927	753	3,219
Other	<u>10,352</u>	<u>8,219</u>	<u>9,807</u>	<u>6,839</u>	<u>7,196</u>
Total Governmental Activities	<u>42,795</u>	<u>33,205</u>	<u>33,930</u>	<u>29,605</u>	<u>31,184</u>
Business-Type Activities					
Investment Earnings	958	586	875	1,505	1,719
Other	<u>(833)</u>	<u>(191)</u>	<u>(44)</u>	<u>2,374</u>	<u>1,199</u>
Total Business-Type Activities	<u>125</u>	<u>395</u>	<u>831</u>	<u>3,879</u>	<u>2,918</u>
Total Primary Government	<u>\$42,920</u>	<u>\$33,600</u>	<u>\$34,761</u>	<u>\$33,484</u>	<u>\$34,102</u>
<b>Change in Net Assets</b>					
Governmental Activities	\$667	\$778	(\$237)	\$1,320	\$3,420
Business-Type Activities	<u>614</u>	<u>669</u>	<u>(1,379)</u>	<u>8,840</u>	<u>1,349</u>
Total Primary Government	<u>\$1,281</u>	<u>\$1,447</u>	<u>(\$1,616)</u>	<u>\$10,160</u>	<u>\$4,769</u>



# County of Muskegon

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts express in thousands)

(Unaudited)

	Fiscal Year									
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
General fund										
Reserved	\$589	\$589	\$589	\$1,305	\$1,305	\$1,305	\$1,305	\$619	\$619	\$619
Unreserved	<u>7,260</u>	<u>6,897</u>	<u>6,588</u>	<u>5,873</u>	<u>5,632</u>	<u>4,684</u>	<u>4,367</u>	<u>4,230</u>	<u>3,260</u>	<u>3,103</u>
Total General fund	<u>\$7,849</u>	<u>\$7,486</u>	<u>\$7,177</u>	<u>\$7,178</u>	<u>\$6,937</u>	<u>\$5,989</u>	<u>\$5,672</u>	<u>\$4,849</u>	<u>\$3,879</u>	<u>\$3,722</u>
All other governmental funds										
Reserved	\$1,453	\$933	\$800	\$800	\$800	\$901	\$946	\$832	\$819	\$800
Unreserved, reported in:										
Special revenue funds	8,219 <sup>(1)</sup>	4,271	3,908	4,319	3,434	2,482	2,286	2,630	2,270	2,730
Debt Service	1,761	1,541	1,713	1,799	1,723	3,756	3,701	3,641	\$3,244	\$2,732
Capital projects funds <sup>(2)</sup>	5,404	3,451	3,201	5,085	4,684	1,892	3,089	1,803	\$6,886	\$13,789
Permanent funds	<u>53</u>	<u>54</u>	<u>59</u>	<u>67</u>	<u>75</u>	<u>82</u>	<u>87</u>	<u>93</u>	<u>96</u>	<u>100</u>
Total all other governmental funds	<u>\$16,890</u>	<u>\$10,250</u>	<u>\$9,681</u>	<u>\$12,070</u>	<u>\$10,716</u>	<u>\$9,113</u>	<u>\$10,109</u>	<u>\$8,999</u>	<u>\$13,315</u>	<u>\$20,151</u>

(1) Special revenue funds increased due to the State stopping State revenue sharing and moving property tax collection to July 1<sup>st</sup> and treating future amounts collected as reserved

(2) Capital projects reserves change significantly when new bonds are issued and when projects are completed

**County of Muskegon****CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS***Last Ten Fiscal Years**(modified accrual basis of accounting)**(amounts express in thousands)*

(Unaudited)

## Fiscal Year

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<b>Revenues</b>										
Taxes	\$31,294	\$24,226	\$23,196	\$22,013	\$20,769	\$19,694	\$18,691	\$17,210	\$17,313	\$14,798
Operating grants and contributions	30,783	33,629	32,283	33,478	31,576	31,462	27,991	37,396	30,296	27,428
Charges for services	84,748	89,003	95,231	74,926	90,546	55,306	54,243	43,644	49,293	47,977
Other	<u>9,284</u>	<u>8,105</u>	<u>9,119</u>	<u>8,624</u>	<u>8,952</u>	<u>8,998</u>	<u>8,161</u>	<u>8,219</u>	<u>6,105</u>	<u>7,328</u>
Total Revenues	<u>156,109</u>	<u>154,963</u>	<u>159,829</u>	<u>139,041</u>	<u>151,843</u>	<u>115,460</u>	<u>109,086</u>	<u>106,469</u>	<u>103,007</u>	<u>97,531</u>
<b>Expenditures</b>										
Judicial	7,758	7,663	7,420	6,990	6,326	5,164	4,560	5,801	5,739	5,403
General County Government	17,143	17,158	16,496	15,298	12,570	15,302	13,944	12,753	11,103	11,368
Public Safety	12,712	12,379	11,570	10,596	10,448	9,668	9,270	9,853	8,556	7,348
Health	100,254	101,563	110,357	89,440	103,256	69,386	66,466	64,347	63,160	61,057
Welfare	7,551	8,383	8,728	7,615	7,069	6,569	6,559	7,555	5,804	4,309
Other	3,017	3,047	3,158	3,015	2,908	3,057	2,916	2,920	2,846	4,830
Capital Outlay	3,918	1,310	3,434	6,563	7,751	3,012	6,769	8,168	9,373	4,495
Debt Service										
Principal	2,285	2,040	2,140	2,480	2,380	2,275	2,140	2,005	1,840	1,930
Interest	1,074	1,039	1,130	1,066	922	1,009	1,226	1,138	1,553	492
Other	<u>88</u>	<u>75</u>	<u>55</u>	<u>61</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>155,800</u>	<u>154,657</u>	<u>164,488</u>	<u>143,124</u>	<u>153,722</u>	<u>115,442</u>	<u>113,850</u>	<u>114,540</u>	<u>109,974</u>	<u>101,232</u>

***County of Muskegon******CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS******Last Ten Fiscal Years******(modified accrual basis of accounting)******(amounts express in thousands)******(Unaudited)***

	Fiscal Year									
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Excess of revenues over (under) expenditures	309	306	(4,659)	(4,083)	(1,879)	18	(4,764)	(8,071)	(6,967)	(3,701)
Transfers in	15,249	11,410	14,681	11,283	11,161	7,910	10,316	9,768	8,634	5,574
Transfers out	(14,081)	(10,874)	(12,853)	(12,193)	(12,085)	(8,997)	(8,841)	(10,756)	(7,806)	(6,284)
Bonds issued	-	-	-	6,500	6,500	-	2,680	-	-	16,000
Notes issued	5,000	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	<u>526</u>	<u>36</u>	<u>50</u>	<u>12</u>	<u>1,084</u>	<u>88</u>	<u>1,491</u>	<u>1,780</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>6,694</u>	<u>572</u>	<u>1,878</u>	<u>5,602</u>	<u>6,660</u>	<u>(999)</u>	<u>5,646</u>	<u>792</u>	<u>828</u>	<u>15,290</u>
Net change in fund balances	<u>\$7,003</u>	<u>\$878</u>	<u>(\$2,781)</u>	<u>\$1,519</u>	<u>\$4,781</u>	<u>(\$981)</u>	<u>\$882</u>	<u>(\$7,279)</u>	<u>(\$6,139)</u>	<u>\$11,589</u>
Debt service as a percentage of noncapital expenditures	2.32%	2.10%	2.11%	2.71%	2.38%	3.01%	3.25%	3.04%	3.49%	2.57%

## ***County of Muskegon***

### **GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE**

***Last Six Fiscal Years***

***(accrual basis of accounting)***

***(amounts expressed in thousands)***

**(Unaudited)**

<b><u>Fiscal Year</u></b>	<b><u>Charges for Services</u></b>	<b><u>Operating Grants and Contributions</u></b>	<b><u>Property Taxes</u></b>	<b><u>Investment Earnings</u></b>	<b><u>Rentals</u></b>	<b><u>Other Revenues and Donations</u></b>	<b><u>Total</u></b>
2000	\$58,961	\$30,516	\$18,697	\$1,798	\$448	\$2,735	\$113,155
2001	93,559	30,573	20,769	3,219	791	4,747	153,658
2002	76,310	33,340	22,013	1,567	967	5,693	139,890
2003	97,203	32,283	23,196	927	734	7,539	161,882
2004	90,999	33,629	24,227	759	830	7,024	157,468
2005	86,759	30,783	31,294	1,149	810	8,361	159,156

## ***County of Muskegon***

### ***GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE***

***Last Ten Fiscal Years***

***(modified accrual basis of accounting)***

***(amounts express in thousands)***

***(Unaudited)***

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Accommodations Tax</u>	<u>Liquor Tax</u>	<u>Total</u>
1996	\$14,138	\$520	\$140	\$14,798
1997	16,495	599	219	17,313
1998	16,355	631	224	17,210
1999	17,819	663	209	18,691
2000	18,697	769	228	19,694
2001	19,714	800	255	20,769
2002	20,987	743	283	22,013
2003	22,155	772	269	23,196
2004	23,202	758	266	24,226
2005	30,255	779	260	31,294

***County of Muskegon***  
***PRINCIPAL PROPERTY TAXPAYERS***  
***September 30,***  
***(amounts express in thousands)***  
(Unaudited)

	<b>2005</b>				<b>1995</b>		
	<b><u>Taxable Assessed Value</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total Taxable Value</u></b>		<b><u>Taxable Assessed Value</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total Taxable Value</u></b>
Consumers Energy	113,790	1	2.85	%	89,645	1	3.90 %
Sappi Paper Products	50,653	2	1.27		57,309	2	2.50
Howmet Corp (c/o Alcoa Co)	45,327	3	1.13		19,601	5	0.90
Hayes-Lemmerz International	44,561	4	1.12				
DTE Energy	25,690	5	0.64		31,375	3	1.40
Sun Chemical of Michigan LLC	24,991	6	0.63		20,060	4	0.90
THF Fruitport Dev LP	15,215	7	0.38				
Bayer Cropscience/Muskegon	14,421	8	0.36				
Lakes Mall LLC	12,068	9	0.30				
Johnson Technology Inc.	11,495	10	0.29				
SPX					19,152	6	0.80
Knoll Group					12,070	7	0.50
Kaydon					10,110	8	0.40
Teledyne					10,000	9	0.40
Brunswick					9,464	10	0.40
Totals	<b><u>\$358,211</u></b>		<b><u>8.97</u></b>	%	<b><u>\$278,786</u></b>		<b><u>12.10</u></b> %

## County of Muskegon

PROPERTY TAX RATES(in dollars per thousand of taxable value)

DIRECT AND OVERLAPPING GOVERNMENTS

Last Eight Fiscal Years

(Unaudited)

<u>Fiscal Year</u>	County Veterans/ <u>Museum/Central Dispatch</u>			<u>City/Township</u>			<u>Overlapping Rates</u> <u>School Districts/Authorities</u>			<u>Grand Total</u>
	<u>Operating Millage(1)</u>	<u>Debt Millage(2)</u>	<u>Total Millage</u>	<u>Operating Millage</u>	<u>Debt Millage</u>	<u>Total Millage</u>	<u>Operating Millage(3)</u>	<u>Debt Millage</u>	<u>Total Millage</u>	<u>Direct &amp; Overlapping Rates</u>
1998	6.23	0.47	6.70	7.20	0.41	7.61	18.88	5.23	24.11	38.42
1999	6.29	0.43	6.72	7.32	0.39	7.71	19.26	5.96	25.22	39.65
2000	6.24	0.43	6.67	7.22	0.33	7.55	19.03	5.89	24.92	39.14
2001	6.19	0.43	6.62	6.48	1.00	7.48	19.30	6.29	25.59	39.69
2002	6.30	0.40	6.70	6.31	0.95	7.26	20.18	6.03	26.21	40.17
2003	6.40	0.40	6.80	6.32	0.69	7.01	19.06	6.52	25.58	39.39
2004	6.40	0.40	6.80	7.15	0.05	7.20	20.12	6.41	26.53	40.53
2005	6.40	0.38	6.78	7.25	0.03	7.28	20.24	6.40	26.64	40.70

Source: Equalization Department

1) Museum, Veterans and Central dispatch operating millage equals between .87 and 1.08 mills

2) County debt was issued for the renovation of a performing arts building

3) Authority operating millage equals between .30 and .75 operating mills

## County of Muskegon

### ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(in millions of dollars)

(Unaudited)

Fiscal	Assessed Value			Taxable Value			Percentage of	Total
Year							Taxable to	Cash
Ended	Real	Personal	Total	Real	Personal	Total		
<u>September 30</u>	<u>Property</u>	<u>Property</u>	<u>Assessed</u>	<u>Property</u>	<u>Property</u>	<u>Taxable</u>	<u>Assessed Value</u>	<u>Value</u>
1996	\$2,213	\$284	\$2,497	\$2,084	\$284	\$2,368	94.83 %	\$4,994
1997	2,388	306	2,694	2,217	306	2,523	93.65	5,388
1998	2,580	297	2,877	2,342	297	2,639	91.73	5,754
1999	2,856	336	3,192	2,472	336	2,808	87.97	6,384
2000	3,129	346	3,475	2,623	346	2,969	85.44	6,950
2001	3,497	400	3,897	2,844	400	3,244	83.24	7,794
2002	3,912	372	4,284	3,081	372	3,453	80.60	8,568
2003	4,226	368	4,594	3,246	368	3,614	78.67	9,188
2004	4,469	371	4,840	3,425	371	3,796	78.43	9,680
2005	4,674	379	5,053	3,616	379	3,995	79.06	10,106

Source: Equalization Department



## ***County of Muskegon***

### ***PROPERTY TAX LEVIES AND COLLECTIONS***

*Last Ten Fiscal Years*

*(amounts expressed in thousands)*

(Unaudited)

	Total Tax	Collected within the				
Ended	Levy for	Fiscal Year of the Levy		Collections in	Total Collections to Date	
<u>September 30</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>% of Levy</u>	<u>Subsequent Years</u>	<u>Amount</u>	<u>% of Levy</u>
1996	\$13,516	\$12,023	89.0%	\$1,493	\$13,516	100.0%
1997	14,320	12,728	88.9%	1,592	14,320	100.0%
1998	14,977	13,253	88.5%	1,724	14,977	100.0%
1999	15,777	14,051	89.1%	1,726	15,777	100.0%
2000	16,669	14,821	88.9%	1,848	16,669	100.0%
2001	17,940	15,983	89.1%	1,957	17,940	100.0%
2002	18,879	16,946	89.8%	1,933	18,879	100.0%
2003	19,810	17,875	90.2%	1,700	19,575	98.8%
2004	20,872	18,880	90.5%	1,124	20,004	95.8%
2005*	22,039	N/A	N/A	N/A	N/A	N/A

\* Estimated Tax Levy

# County of Muskegon

## ***RATIO OF OUTSTANDING DEBT BY TYPE***

***Last Ten Fiscal Years***

***(amounts express in thousands, except per capita amount)***

(Unaudited)

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Primary Government</u>	<u>Percentage of personal income<sup>1</sup></u>	<u>Per Capita<sup>1</sup></u>
	<u>General Obligation bonds</u>	<u>Special Assessment Bonds</u>	<u>Building Authority bonds</u>	<u>Revenue bonds</u>	<u>Building Authority bonds</u>	<u>Delinquent tax notes</u>			
2005	\$12,980	\$8,055	\$6,735	\$22,565	\$2,635	\$10,500	\$63,470	2.08%	\$372.91
2004	13,890	9,075	7,090	24,805	3,030	10,500	68,390	2.24%	401.82
2003	14,750	9,910	7,435	26,945	3,325	10,500	72,865	2.38%	428.11
2002	15,520	10,720	7,995	29,230	3,620	11,500	78,585	2.57%	461.72
2001	16,230	12,105	1,880	14,140	3,910	13,750	62,015	1.66%	364.37
2000	16,890	6,960	2,245	18,300	1,700	16,050	62,145	1.66%	365.13
1999	17,490	8,265	2,615	20,095	1,885	16,350	66,700	2.62%	419.54
1998	17,355	6,890	2,940	21,910	2,070	15,400	66,565	2.62%	418.69
1997	17,725	7,795	3,175	23,800	2,000	9,700	64,195	2.52%	403.79
1996	17,910	9,175	3,450	24,525	2,100	9,000	66,160	2.60%	416.15

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

## *County of Muskegon*

### ***RATIO OF NET GENERAL BONDED DEBT OUTSTANDING***

***Last Ten Fiscal Years***

***(amounts express in thousands, except per capita amount)***

(Unaudited)

<u>Fiscal year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value<sup>1</sup> of Property</u>	<u>Per Capita<sup>2</sup></u>
2005	\$12,980	1,295	\$11,685	0.29%	68.65
2004	13,890	1,151	12,739	0.34%	74.85
2003	14,750	938	13,812	0.38%	81.15
2002	15,520	786	14,734	0.43%	86.57
2001	16,230	557	15,673	0.48%	92.09
2000	16,890	390	16,500	0.56%	96.94
1999	17,490	245	17,245	0.61%	108.47
1998	17,355	211	17,144	0.65%	107.84
1997	17,725	106	17,619	0.70%	110.82
1996	\$17,910	67	17,843	0.75%	\$112.23

## County of Muskegon

### ***DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT***

*As of September 30, 2005*

(Unaudited)

	Net Debt Outstanding	Percentage Applicable to this Governmental Unit	Share of Debt
County Issued Bonds Paid by Local			
Municipalities	\$14,385,000	88%	\$15,255,000
County at Large	38,585,000	100	38,585,000
Tax Anticipation Notes	<u>10,500,000</u>	100	<u>10,500,000</u>
Direct Debt	63,470,000		64,340,000
Muskegon Community			
College & Intermediate School			
Districts	10,069,285	100	10,069,285
School Districts	355,131,908	99.9	354,776,776
Cities, Villages and Townships	42,192,003	100	42,192,003
White Lake District Library	<u>1,530,000</u>	100	<u>1,530,000</u>
Overlapping Debt	408,923,196		408,568,064
Total Direct and Overlapping Debt	<u>\$472,393,196</u>		<u>\$472,908,064</u>

Source: Municipal Advisory Council

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County of Muskegon. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

***County of Muskegon***  
***LEGAL DEBT MARGIN INFORMATION***  
***Last Ten Fiscal Years***  
***(amounts express in thousands)***  
(Unaudited)

<u>Fiscal Year</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Debt Limit	\$505,360	\$484,014	\$459,402	\$428,427	\$389,651	\$347,554	\$319,172	\$287,677	\$269,358	\$249,706
Total net debt applicable to limit	<u>49,507</u>	<u>51,489</u>	<u>54,758</u>	<u>52,073</u>	<u>49,279</u>	<u>44,519</u>	<u>55,761</u>	<u>53,939</u>	<u>48,934</u>	<u>53,260</u>
Legal debt margin	<u>\$455,853</u>	<u>\$432,525</u>	<u>\$404,644</u>	<u>\$376,354</u>	<u>\$340,372</u>	<u>\$303,035</u>	<u>\$263,411</u>	<u>\$233,738</u>	<u>\$220,424</u>	<u>\$196,446</u>
Total net debt applicable to the limit as a percentage of debt limit	9.80%	10.64%	11.92%	12.15%	12.65%	12.81%	17.47%	18.75%	18.17%	21.33%

**Legal Debt Margin Calculation for Fiscal Year 2005**

State equalized value	<u>\$5,053,598,542</u>
Debt limit(10% of SEV)	505,359,854
Debt applicable to limit:	
Total bonded debt	63,470,000
Other debt	<u>9,619,822</u>
Total applicable debt	73,089,822
Less amount available for debt retirement	<u>23,582,881</u>
Total net debt applicable to limit	<u>49,506,941</u>
Legal Debt Margin	<u>\$455,852,913</u>

Note: Under Michigan State law, the County of Muskegon's outstanding debt should not exceed 10% of state equalized value less amounts available for repaying the applicable bonds.

**County of Muskegon**  
**PLEDGED-REVENUE COVERAGE**  
**Last Ten Fiscal Years**  
**(amounts express in thousands)**  
(Unaudited)

<b>Sewer Revenue Bonds</b>							<b>Special Assessment Bonds</b>			
Fiscal	Sewer	Less:	Net	Debt Service		Coverage	Special	Debt Service		Coverage
<u>Year</u>	<u>Charges(1)</u>	<u>Operating Expenses(2)</u>	<u>Available Revenue</u>	<u>Principal</u>	<u>Interest</u>		<u>Collections</u>	<u>Principal</u>	<u>Interest</u>	
1996 <sup>(4)</sup>	1,039	449	590	100	572	87.80%	2,503	1,930	492	103.34%
1997	1,721	1	1,720	645	1,114	97.78	873	1,840	1,552	25.74
1998	2,183	0	2,183	2,005	491	87.46	1,397	1,725	1,104	49.38
1999	2,786	2	2,784	1,725	1,001	102.13	1,275	2,140	1,226	37.88
2000	2,644	1	2,643	1,695	922	100.99	1,150	2,275	1,009	35.02
2001	2,536	13	2,523	1,665	841	100.68	1,325	1,355	9	97.14
2002	3,479	2	3,477	1,910	756	130.42	1,350	1,385	36	95.00
2003 <sup>(3)</sup>	3,426	121	3,305	2,285	1,162	95.88	800	810	36	94.56
2004	3,459	1	3,458	2,140	1,292	100.76	800	835	34	92.06
2005	3,318	1	3,317	2,240	1,075	100.06	425	1,020	32	40.40

(1) Total revenues including interest

(2) Operating expenses are paying agent fees and issuing costs

(3) Refunded \$6,990,000 Sewer Bond

(4) Refunded \$13.75 million of \$23 million sewer bond

## County of Muskegon

**PRINCIPAL EMPLOYERS**  
*Current Year and Nine Years Ago*  
(Unaudited)

<u>Employer</u>	<u>2005</u>			<u>1996</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of total county employment</u>
Howmet Corp.	2,500	1	2.78%	1,968	1	2.49%
Mercy General Health Partners	2,100	2	2.34	1,654	2	2.10
Hackley Hospital	1,600	3	1.78	1,234	4	1.56
County of Muskegon	1,150	4	1.28	1,258	3	1.59
Muskegon Public Schools	1,110	5	1.24	930	7	1.18
Meijer Inc.	1,100	6	1.22	1,150	5	1.46
Hayes Lemmerz International	550	7	0.61			
ADAC Plastics	500	8	0.56			
Johnson Technology Inc.	475	9	0.53			
Knoll Inc.	460	10				
Sappi Fine Paper				828	8	1.05
SPX Corp				1,140	6	1.44
Brunswick				630	9	0.80
Reeths-Puffer Schools				600	10	0.76

## County of Muskegon

### DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	(1)	(1)	(1)	(2)		
Ending	Personal	Per	Median	School	Unemployment	
September 30	Income	Capita	Age	Enrollment	Rate	
	(1)	(amounts expressed	Personal			
	Population	in thousands)	Income			
1996	158,983	1,803,662	11,345	32.7	33,868	6.3%
1997	158,983	1,803,662	11,345	32.7	34,122	5.2%
1998	158,983	1,803,662	11,345	32.7	34,121	4.5%
1999	158,983	1,803,662	11,345	32.7	33,890	4.5%
2000	170,200	3,057,983	17,967	35.5	33,842	4.4%
2001	171,366	3,078,933	17,967	35.5	33,973	5.8%
2002	172,173	3,093,432	17,967	35.5	34,851	8.8%
2003	173,090	3,109,908	17,967	35.5	33,580	10.0%
2004	174,401	3,133,463	17,967	35.5	33,370	8.8%
2005*	175,118	4,151,522	23,707	35.5	32,982	7.2%

\* Estimated

1) US Census Bureau, Michigan Dept of History Arts and Library

2) West Michigan Shoreline Regional Development Council



***County of Muskegon***

***OPERATING INDICATORS BY FUNCTION***

***Last Ten Fiscal Years***

(Unaudited)

<b>Function</b>	<b>Fiscal year</b>									
	<b><u>1996</u></b>	<b><u>1997</u></b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>
Police										
Bookings	6,870	6,946	7,425	7,625	8,549	9,096	8,953	9,049	9,343	9,815
Traffic Stops	-	-	-	-	2,384	3,104	3,837	4,283	3,521	3,087
Verbal Warnings	3,349	1,357	848	642	1,238	1,862	2,094	1,892	1,706	1,683
Citations	2,804	2,091	1,988	1,908	3,204	3,654	4,391	4,329	2,851	2,491
County Road Commission										
Street resurfacing (miles)	69	102	46	32	94	13	71	22	32	95
Sanitation										
Refuse collected (tons)	-	58,072	48,091	72,891	89,133	89,186	76,026	67,573	60,256	88,971
Recyclables collected (tons)	-	92	75	89	104	92	89	69	77	66
Water										
New Connections	-	-	-	-	-	-	886	941	995	1,033
Average daily consumption (thousands of gallons)	-	-	-	-	404	347	348	380	374	483
Wastewater										
Avg daily sewage treatment (gallons)	33	32	32	30	29	28	25	25	26	23
District Court										
Cases Filed	47,449	44,612	44,619	44,796	44,256	46,416	48,193	45,766	43,554	44,573
Cases Disposed	46,581	43,343	43,660	45,339	48,130	47,977	55,210	51,708	51,932	46,915
Cases Pending	17,851	19,120	20,079	19,536	15,662	14,101	8,069	8,083	5,800	6,183

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Administration</u>										
Administrator	8	9	9	9	8	8	9	9	9	9
Accounting	12	12	10	12	12	12	12	12	11	11
Human Resources	7	8	6	6	6	6	6	6	5	5
Purchasing	4	4	4	4	4	4	4	4	4	4
Office Services	4	4	4	4	4	4	4	4	5	5
Information Systems	13	13	12	11	11	12	12	11	8	8
Employment and Training	17	21	15	18	18	21	21	22	21	21
Corporate Counsel	-	-	-	-	-	-	-	3	3	3
Risk Management	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Total	68	75	65	70	69	74	76	79	74	74
<u>DPW - Transportation and Planning</u>										
Public Works	6	4	1	1	1	1	1	1	1	-
Airport	19	19	17	17	16	16	16	20	15	15
Transit	37	40	39	39	39	43	45	46	46	46
Wastewater	77	76	77	78	80	81	81	81	81	65
Solid Waste	9	10	10	10	10	10	11	11	14	14
Solid Waste - Fly Ash	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>1</u>	<u>1</u>
Total	152	153	149	150	150	155	158	163	158	141
<u>General Government</u>										
County Clerk	6	6	6	6	6	6	6	6	6	6
County Clerk - Circuit Court Records	6	6	7	7	7	7	8	8	8	8

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Equalization	13	14	15	15	20	22	23	23	22	22
Register of Deeds	8	8	8	8	9	9	9	9	9	9
Treasurer	11	10	10	10	10	10	10	10	10	10
Central Microfilm	1	-	-	-	-	-	-	-	-	-
Buildings Information Services	1	1	1	1	1	-	-	-	-	-
Drain Commission	5	5	5	5	5	4	4	5	5	5
MSU - Cooperative Extension	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
Total	53	52	54	54	60	60	62	63	61	61
<b><u>Judicial Administration</u></b>										
Circuit Court	21	21	21	21	20	19	19	19	19	19
District Court	48	48	49	48	53	54	56	56	58	58
District Court - Probation Assessment	2	2	2	2	2	2	2	2	2	2
Family Court - FOC Division	39	39	43	44	41	42	42	41	46	45
Family Court - FOC Family Counseling	1	1	1	1	1	1	1	1	1	1
Family Court - FOC Medical Support	-	-	-	-	-	2	2	1	1	2
Family Court - FOC Welfare Support	-	-	-	-	-	1	1	1	1	1
Family Court - Juvenile Division	21	22	21	23	23	19	19	18	17	15
Family Court - Juvenile Division Program	2	2	3	1	1	1	-	-	-	-
Family Court - Juvenile In Home Intensive	-	-	-	6	12	13	13	13	14	14
Family Court - Juvenile Violence Reporting	-	-	-	1	-	-	-	-	-	-
Family Court - CASA Program	1	1	1	-	-	-	-	-	-	-
Family Court - Re-Entry Initiative	-	-	-	-	-	-	-	3	3	3

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Family Court - Special Improvement Project	-	-	-	-	-	-	-	3	3	-
Probate Court	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total	142	143	148	154	160	161	162	165	172	167
<u>Legislative</u>										
Board of Commissioners	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>11</u>	<u>11</u>	<u>11</u>
Total	9	9	9	9	9	9	9	11	11	11
<u>Libraries and Recreation</u>										
Library	40	40	40	40	41	41	42	42	41	41
County Parks	18	21	21	19	22	22	22	22	22	22
Convention/Visitor's Bureau	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>6</u>
Total	58	61	61	59	68	68	69	68	68	69
<u>Maintenance</u>										
Courthouse-Grounds	<u>18</u>	<u>19</u>	<u>19</u>	<u>21</u>	<u>21</u>	<u>24</u>	<u>24</u>	<u>22</u>	<u>14</u>	<u>14</u>
Total	18	19	19	21	21	24	24	22	14	14
<u>Public and Mental Health</u>										
Health	91	95	97	107	106	110	110	87	79	81
Mental Health	321	320	313	302	302	255	256	255	257	256
Mental Health/Managed Care	-	-	-	14	17	66	68	69	68	67
Animal Shelter	<u>8</u>	<u>8</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	420	423	421	423	425	431	434	411	404	404
<u>Public Safety</u>										
Prosecutor	28	28	28	22	22	20	20	21	20	20

**County of Muskegon**  
**FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**  
(Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Prosecutor - Cooperative Reimbursement	-	-	-	5	5	5	5	6	6	6
Prosecutor - Crime Victims Rights	2	3	3	4	4	4	4	3	4	4
Prosecutor - Family Court FIA Grant	-	-	-	-	-	3	3	3	3	3
Prosecutor - Juvenile Accountability Incentive	-	-	-	-	1	2	2	1	1	1
Prosecutor - Community Gun Violence	-	-	-	-	-	-	-	2	2	2
Prosecutor - Project Cornerstone	-	-	-	-	2	2	2	2	-	-
Sheriff - Operations	95	96	94	106	106	108	108	115	115	118
Sheriff - Road Patrol Grant	-	-	-	2	2	2	2	2	2	2
Sheriff - School Liaison Grant	-	-	-	-	1	1	2	2	2	2
Sheriff - Marine	8	8	8	8	8	8	8	8	8	8
Sheriff - Township Patrols	-	-	-	-	-	5	5	5	5	4
Community Corrections	6	8	8	7	7	8	8	8	8	8
Emergency Services	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>
Total	142	146	143	156	160	171	172	181	179	180
<u>Social Services</u>										
Child Haven	16	16	16	16	16	16	16	16	16	16
Brookhaven	248	248	249	240	250	243	244	244	239	239
Juvenile Detention Center	<u>33</u>	<u>35</u>	<u>35</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>27</u>
Total	297	299	300	282	292	285	286	286	282	282
GRAND TOTAL	<u>1,359</u>	<u>1,380</u>	<u>1,369</u>	<u>1,378</u>	<u>1,414</u>	<u>1,438</u>	<u>1,452</u>	<u>1,449</u>	<u>1,423</u>	<u>1,403</u>

# County of Muskegon

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function	Fiscal year ended September 30,									
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Public Safety Police										
Jail	1	1	1	1	1	1	1	1	1	1
Patrol Units	20	20	18	18	23	24	27	27	28	25
Culture and recreation										
Parks acreage	296	299	299	337	337	337	337	337	337	337
Parks	6	6	6	6	6	6	6	6	6	6
Sewer	350	350	350	350	350	352	352	352	352	352
Storm and Sanitary (miles)										
Maximum daily treatment capacity (thousands of gallons)	43,700	43,700	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000
Airport	180	191	195	180	180	157	139	143	119	129
Capacity (thousand of passengers)										
Transit	17	18	14	15	15	18	15	18	15	15
Number of buses										
Solid Waste	1,106	1,106	1,275	1,022	1,022	934	934	2,654	3,100	3,100
Capacity (thousand cu. yds.)										

# **County of Muskegon, Michigan**

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**Additional Reports Required by  
OMB Circular A-133**

**September 30, 2005**

# County of Muskegon, Michigan

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**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
With *Government Auditing Standards***

To the Board of County Commissioners of the  
County of Muskegon, Michigan

We have audited the financial statements of the County of Muskegon, Michigan as of and for the year ended September 30, 2005, and have issued our report thereon dated December 2, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County of Muskegon, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County of Muskegon, Michigan in a separate letter dated December 2, 2005.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Muskegon, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners of the County of Muskegon, Michigan, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Prudnia Latres, PLLC*

Muskegon, Michigan  
December 2, 2005

**Report on Compliance With Requirements  
Applicable to Each Major Program and on  
Internal Control Over Compliance in  
Accordance With OMB Circular A-133**

To the Board of County Commissioners of the  
County of Muskegon, Michigan

**Compliance**

We have audited the compliance of the County of Muskegon, Michigan with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2005. The County of Muskegon, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Muskegon, Michigan's management. Our responsibility is to express an opinion on the County of Muskegon, Michigan's compliance based on our audit.

The County of Muskegon, Michigan's financial statements include the operations of the Muskegon County Road Commission, which received \$1,476,073 in federal awards, which is not included in the schedule of expenditures of federal awards during the year ended September 30, 2005. Our audit, described below, did not include the operations of the Muskegon County Road Commission because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Muskegon, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Muskegon, Michigan's compliance with those requirements.

In our opinion, the County of Muskegon, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

### **Internal Control Over Compliance**

The management of the County of Muskegon, Michigan is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Muskegon, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Muskegon, Michigan as of and for the year ended September 30, 2005, and have issued our report thereon dated December 2, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners of the County of Muskegon, Michigan, management and federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Prudence LaRue, DEC*

Muskegon, Michigan  
February 10, 2006

<i>Year ended September 30, 2005</i>	CFDA Number	Federal Grants Awarded
<b>Department of Transportation</b>		
Urban Mass Transportation Capital and Operating Assistance		
MI-90-0326 (5880)	20.507	\$ 1,371,534
MI-90-0346 (5880)	20.507	1,685,188
MI-90-0365 (5880)	20.507	1,689,142
MI-90-0388 (5880)	20.507	1,707,054
MI-90-X407 (5880)	20.507	1,968,161
MI-90-X443 (5880)	20.507	1,688,826
MI-90-X476 (5880)	20.507	1,266,834
Passed through Michigan Department of Transportation		
MDOT 2002-0072Z5 (5880)	20.507	1,633,548
Emergency Services - HMEP Planning Committee (1190-0430)	20.703	5,032
Intersection Enforcement RS-05-06 (1210-0319)	20.600	18,971
Drive Michigan safely OP-04-18 (1210-0317)	20.600	60,077
MACP Equipment Award PT-05-45 (1210-0318)	20.600	1,000
Passed through Michigan Department of Highway		
Airport Improvement Program 3-26-0601-02807(5810-0543)	20.106	984,200
Airport Improvement Program 97-1-3-26-0071-2001(5810)	20.106	462,218
Airport Improvement Program 97-1-3-26-0071-2303(5810)	20.106	892,800
Airport Improvement Program 97-1-3-26-0071-2403(5810)	20.106	998,160
Airport Improvement Program 97-1-3-26-0071-2504(5810)	20.106	2,535,782
Airport Improvement Program 97-1-3-26-0071-2605(5810)	20.106	1,000,000
Air Service Development OST-2003-15065-2(5810)	20.930	500,000
		20,468,527
<b>Department of Labor</b>		
Passed through Michigan Department of Career Development		
Labor exchange (2731)	17.207	635,634
TAA/NAFTA (2733)	17.245	158,254
Reemployment Services (2738)	17.207	42,890
MI WE CAN (2744)	17.267	65,000
WIA, MiRSA (2747)	17.258	14,583
WIA, MiRSA (2747)	17.259	16,594
WIA, MiRSA (2747)	17.260	19,109

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ 1,021,038	\$ 128,000	\$ 1,149,038	\$ 1,021,038	\$ 128,000	\$ 1,149,038	\$ 222,496
1,492,831	64,000	1,556,831	1,492,831	64,000	1,556,831	128,357
1,156,588	7,515	1,164,103	1,156,588	7,515	1,164,103	525,039
1,279,542	4,000	1,283,542	1,279,542	4,000	1,283,542	423,512
1,168,961	9,196	1,178,157	1,168,961	9,196	1,178,157	790,004
780,759	312,419	1,093,178	780,759	312,419	1,093,178	595,648
-	997,767	997,767	-	997,767	997,767	269,067
1,587,375	-	1,587,375	1,587,375	-	1,587,375	46,173
-	5,032	5,032	-	5,032	5,032	-
-	10,893	10,893	-	10,893	10,893	8,078
-	40,530	40,530	-	40,530	40,530	19,547
-	1,000	1,000	-	1,000	1,000	-
740,515	-	740,515	740,515	-	740,515	243,685
462,218	-	462,218	462,218	-	462,218	-
117,064	-	117,064	117,064	-	117,064	775,736
881,137	71,072	952,209	881,137	71,072	952,209	45,951
1,221,624	-	1,221,624	1,221,624	-	1,221,624	1,314,158
-	232,400	232,400	-	232,400	232,400	767,600
73,230	395,925	469,155	73,230	395,925	469,155	30,845
11,982,882	2,279,749	14,262,631	11,982,882	2,279,749	14,262,631	6,205,896
-	452,619	452,619	-	452,619	452,619	183,015
-	144,364	144,364	-	144,364	144,364	13,890
-	42,588	42,588	-	42,588	42,588	302
-	89	89	-	89	89	64,911
-	14,583	14,583	-	14,583	14,583	-
-	16,594	16,594	-	16,594	16,594	-
-	19,109	19,109	-	19,109	19,109	-

<i>Year ended September 30, 2005</i>	CFDA Number	Federal Grants Awarded
<b>Department of Labor (Continued)</b>		
Passed through Michigan Department of Career Development (Continued)		
WIA, WIA Administration (2760)	17.255	\$ 453,932
WIA, WIA Adult (2761)	17.258	1,253,023
WIA, WIA Youth (2762)	17.259	1,056,979
WIA, WIA Dislocated Worker (2763)	17.260	1,452,184
WIA, WIA Welfare to Work (2763)	17.260	51,391
WIA Youth Statewide (2766)	17.258	3,108
WIA Youth Statewide (2766)	17.259	3,537
WIA Youth Statewide (2766)	17.260	4,072
WIA Service Center Operations (2767)	17.260	3,438
Incumbent Worker (2768)	17.258	33,139
Incumbent Worker (2768)	17.259	37,710
Incumbent Worker (2768)	17.260	43,423
Reed Act Funds (2769)	17.225	839,244
		6,187,244
<b>Department of Justice</b>		
Community Gun Violence 2001-GP-CX-0099 (2832)	16.609	216,000
2004 Project Safe Neighborhoods 2003-GP-CX-0561 (2832)	16.609	40,000
Office of Justice Programs (1010-0351-529000) 2005-SCAAP	16.610	7,942
LLEBG Grant (1010-0351-529000) Disparate funding	16.592	13,533
2004-UMWX0034 (5920-5060)	16.710	75,000
Passed through Michigan Department of Transportation		
Youth Alcohol Enforcement Grant JJ-05-22 (1210-0318)	16.727	13,990
Passed through Michigan Dept. of Management and Budget		
Bullet Proof Vests 2002 App (1010-0301-529000)	16.579	196
Bullet Proof Vests 2004 App (2671-0311-529000)	16.579	2,445
VOCA Grant 20484-5V00 (2800)	16.579	172,145
Passed through Michigan Family Independence Agency		
Juvenile Acc. Inc. Block Grant JAIBG 04-61001(2831)	16.540	49,020
Juvenile Acc. Inc. Block Grant JAIBG 05-61001(2831)	16.523	36,186
Comp Strategy Implementation Grant JJCSI-05-61001(2821)	16.540	62,500
Re-Entry Initiative (2152)	16.202	215,000
Passed through Office of Drug Control Policy		
Ottawa County (1010-0301) 70834-503B	16.579	34,407
Ottawa County (1010-0301) 70834-604B	16.579	34,925
		973,289



# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ -	\$ 357,650	\$ 357,650	\$ -	\$ 357,650	\$ 357,650	\$ 96,282
-	1,098,896	1,098,896	-	1,098,896	1,098,896	154,127
-	616,859	616,859	-	616,859	616,859	440,120
-	616,320	616,320	-	616,320	616,320	835,864
-	51,391	51,391	-	51,391	51,391	-
-	2,304	2,304	-	2,304	2,304	804
-	2,622	2,622	-	2,622	2,622	915
-	3,019	3,019	-	3,019	3,019	1,053
-	3,438	3,438	-	3,438	3,438	-
-	1,561	1,561	-	1,561	1,561	31,578
-	1,776	1,776	-	1,776	1,776	35,934
-	2,045	2,045	-	2,045	2,045	41,378
-	702,994	702,994	-	702,994	702,994	136,250
-	4,150,821	4,150,821	-	4,150,821	4,150,821	2,036,423
201,445	14,555	216,000	201,445	14,555	216,000	-
-	38,259	38,259	-	38,259	38,259	1,741
-	-	-	-	-	-	7,942
-	13,533	13,533	-	13,533	13,533	-
16,627	36,879	53,506	16,627	36,879	53,506	21,494
-	6,743	6,743	-	6,743	6,743	7,247
-	196	196	-	196	196	-
-	2,445	2,445	-	2,445	2,445	-
-	172,145	172,145	-	172,145	172,145	-
33,505	15,515	49,020	33,505	15,515	49,020	-
-	27,223	27,223	-	27,223	27,223	8,963
-	62,500	62,500	-	62,500	62,500	-
166,108	23,164	189,272	166,108	23,164	189,272	25,728
33,800	607	34,407	33,800	607	34,407	-
-	34,925	34,925	-	34,925	34,925	-
451,485	448,689	900,174	451,485	448,689	900,174	73,115

<i>Year ended September 30, 2005</i>	CFDA Number	Federal Grants Awarded
<b>Department of Homeland Security</b>		
Passed through the Department of State Police		
Emergency Services - Policies and Procedures (1190-0432)	97.051	\$ 150,059
Emergency Services - State Homeland Security (1190-0433)	97.005	4,000
Emergency Services - State Homeland Security RRT (1190-0434)	97.067	697,031
Emergency Services - Homeland Security Exercise (1190-0435)	97.006	4,800
Emergency Services - Homeland Security WMD Ex. (1190-0436)	97.005	17,000
Emergency Services - Homeland Security Part II SAP (1190-0437)	97.005	43,000
Emergency Services - Homeland Security Training (1190-0438)	97.005	124,253
Emergency Services - State Homeland Security (1190-0439)	97.004	870,263
		1,910,406
<b>Department of Agriculture</b>		
National School Breakfast Program (2920)	10.553	10,984
National School Lunch Program (2920)	10.555	16,823
Passed through Michigan Department of Career Development		
Food Stamp Program (2759)	10.561	137,386
Passed through Michigan Department of Comm. Health		
Special Supplemental Food Program for Women, Infants and Children (WIC) (6413)	10.557	758,476
		923,669

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ 96,613	\$ 38,000	\$ 134,613	\$ 96,613	\$ 38,000	\$ 134,613	\$ 15,446
-	3,869	3,869	-	3,869	3,869	131
-	12,000	12,000	-	12,000	12,000	685,031
902	-	902	902	-	902	3,898
13,519	2,946	16,465	13,519	2,946	16,465	535
20,757	18,743	39,500	20,757	18,743	39,500	3,500
6,730	117,523	124,253	6,730	117,523	124,253	-
-	433,068	433,068	-	433,068	433,068	437,195
138,521	626,149	764,670	138,521	626,149	764,670	1,145,736
-	10,984	10,984	-	10,984	10,984	-
-	16,823	16,823	-	16,823	16,823	-
-	4,997	4,997	-	4,997	4,997	132,389
-	758,476	758,476	-	758,476	758,476	-
-	791,280	791,280	-	791,280	791,280	132,389

<i>Year ended September 30, 2005</i>	CFDA Number	Federal Grants Awarded
<b>Department of Health and Human Services</b>		
Passed through Michigan Family Independence Agency		
Prosecutor Cooperative (IV-D Incentive) (1150)	93.563	\$ 131,146
Child Support Enforcement Program		
(IV-D CRP Contract) (2150-0141)	93.563	1,371,605
Child support Incentive Payments (2150-0142)	93.558	275,683
Passed through Michigan Department of Career Development		
TANF, Workfirst (2751)	93.558	2,652,488
Passed through the State Court Administrator's Office		
Access and Visitation Grant (2150-1421)	93.597	35,797
Passed through the Department of Community Health		
ACT Leisure & Recreation (2220-7040)	93.958	5,000
ACT Peer Support Advocates (2220-7041)	93.958	26,653
Case Mgt Peer Support Advocates (2220-7042)	93.958	27,500
Peer to Peer Orientation (2220-7043)	93.958	3,000
Child Care Expulsion Prevention (2220-7046)	93.575	70,000
Self Determination (2220-7051)	93.958	22,400
OBRA-PASARR (2220-7320)	93.778	43,800
Homeless Project (2220-7327)	93.150	40,354
MI Child Respite (2222-7161)	93.958	7,042
Emergency Preparedness (6111)	93.283	225,596
AIDS Prevention (6312)	93.940	98,904
CSHCS - Case Management (6416)	93.994	30,500
CSHCS - Fee for Service (6416)	93.778	20,918
M&CH Services Block Grant (6441)	93.994	19,540
Family Planning project (6441)	93.217	93,913
Childhood Lead (6452)	93.197	60,000
Minority Health (6460)	93.991	21,672
IAP (6710)	93.268	78,046
IAP Fee for service (6710)	93.268	4,917
Vaccine Provided (6710)	93.268	930,650
MCH (6710)	93.994	153,457
Breast and Cerv Cancer Scrn-Coordination (6714)	93.919	89,000
Passed through Lakeshore Coord. Council		
Substance Abuse Prevention (6811)	93.959	107,868
		6,647,449

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ -	\$ 126,715	\$ 126,715	\$ -	\$ 126,715	\$ 126,715	\$ 4,431
-	1,321,497	1,321,497	-	1,321,497	1,321,497	50,108
-	275,683	275,683	-	275,683	275,683	-
-	2,652,488	2,652,488	-	2,652,488	2,652,488	-
-	35,797	35,797	-	35,797	35,797	-
-	5,000	5,000	-	5,000	5,000	-
-	23,732	23,732	-	23,732	23,732	2,921
-	20,027	20,027	-	20,027	20,027	7,473
-	2,010	2,010	-	2,010	2,010	990
-	65,423	65,423	-	65,423	65,423	4,577
-	14,852	14,852	-	14,852	14,852	7,548
-	35,066	35,066	-	35,066	35,066	8,734
-	40,354	40,354	-	40,354	40,354	-
-	7,042	7,042	-	7,042	7,042	-
-	225,596	225,596	-	225,596	225,596	-
-	98,904	98,904	-	98,904	98,904	-
-	30,500	30,500	-	30,500	30,500	-
-	20,918	20,918	-	20,918	20,918	-
-	19,540	19,540	-	19,540	19,540	-
-	93,913	93,913	-	93,913	93,913	-
-	60,000	60,000	-	60,000	60,000	-
-	21,672	21,672	-	21,672	21,672	-
-	78,046	78,046	-	78,046	78,046	-
-	4,917	4,917	-	4,917	4,917	-
-	930,650	930,650	-	930,650	930,650	-
-	153,457	153,457	-	153,457	153,457	-
-	89,000	89,000	-	89,000	89,000	-
-	107,868	107,868	-	107,868	107,868	-
-	6,560,667	6,560,667	-	6,560,667	6,560,667	86,782

<i>Year ended September 30, 2005</i>	CFDA Number	Federal Grants Awarded
<b>Department of Housing and Urban Development</b>		
Lead Hazard Remediation (6456)	14.900	\$ 80,000
<b>Department of Environmental Protection Agency</b>		
Radon (6201)	66.032	500
Operator Certification (6201)	66.471	6,600
Capacity Development (6201)	66.468	900
Arsenic Rule Implementation (6201)	66.472	647
		8,647
<b>Federal Emergency Management Agency</b>		
Passed through the Michigan Department of State Police		
Emergency Services (1190-0426)	83.544	25,549
		\$37,224,780

# County of Muskegon, Michigan

## Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ -	\$ 80,000	\$ 80,000	\$ -	\$ 80,000	\$ 80,000	\$ -
-	500	500	-	500	500	-
-	6,600	6,600	-	6,600	6,600	-
-	900	900	-	900	900	-
-	647	647	-	647	647	-
-	8,647	8,647	-	8,647	8,647	-
-	25,549	25,549	-	25,549	25,549	-
\$12,572,888	\$14,971,551	\$27,544,439	\$12,572,888	\$14,971,551	\$27,544,439	\$ 9,680,341

# County of Muskegon, Michigan

## Notes to Schedule of Expenditures of Federal Awards

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### 1. General

Expenditures are recorded on the accrual basis of accounting. Revenues are recognized when qualifying expenditures have been incurred and all other grant requirements have been met.

Expenditures in the Schedule of Expenditures of Federal Awards agree with amounts reported as federal revenue in the financial statements.



# County of Muskegon, Michigan

## Schedule of Findings and Questioned Costs September 30, 2005

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### Section I - Summary of Auditors' Results

#### *Financial Statements*

The auditors' report expresses an unqualified opinion on the financial statements of the County of Muskegon, Michigan.

The audit did not report any reportable conditions or material weaknesses relating to internal control over financial reporting.

The audit did not note any noncompliance which is material to the financial statements of the County of Muskegon, Michigan.

#### *Federal Awards*

The audit did not report any reportable conditions or material weaknesses relating to internal control over major programs.

The auditors' report on compliance for major programs of the County of Muskegon, Michigan expresses an unqualified opinion.

The audit did not disclose any findings relative to major programs that are required to be reported herein in accordance with Section 510(a) of OMB Circular A-133.

The County had five major programs: Special Supplemental Food Program for Women, Infants and Children (WIC) - CFDA #10.557, Unemployment Insurance - CFDA #17.225, Child Support Enforcement - CFDA #93.563, Temporary Assistance for Needy Families - CFDA #93.558 and Payments for Small Community Air Service Development CFDA #20.930.

The dollar threshold used to distinguish between Type A and Type B programs was \$449,147.

The County of Muskegon, Michigan qualified as a low-risk auditee.

### Section II - Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

### Section III - Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs.

# **County of Muskegon, Michigan**

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**Management Letter**  
Year Ended September 30, 2005

**PL PRIDNIA  
LAPRES, PLLC**  
ACCOUNTANTS & CONSULTANTS

# County of Muskegon, Michigan

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To the Board of Commissioners of the  
County of Muskegon, Michigan

During the course of our audit of the financial statements of the County of Muskegon as of and for the year ended September 30, 2005, we observed the County's significant accounting policies and procedures and certain governmental, administrative, and financial practices.

As a result of our observations, we have prepared, for management's review and evaluation, the enclosed memorandum containing suggestions regarding internal control, accounting procedures and governmental, financial and administrative practices of the County.

Matters which related to internal accounting control were not of a magnitude that would effect the presentation of the financial statements.

We appreciate the outstanding cooperation from management and the staff of Muskegon County that our personnel received during the audit.

*Pridnia Lapres, PLLC*

December 2, 2005

# County of Muskegon, Michigan

## Current Year Observations

### **Bank Accounts**

During our audit, we noted one checking account that is utilizing the County's employer identification number that is not included on the books and records of the County. Checking accounts that are assets of the County or for which the County has an agency relationship should be included on the books and records of the County. Those checking accounts for which the County has no responsibility should not be utilizing the County's employer identification number.

#### ***Recommendation***

We recommend that the County analyze the checking accounts utilizing the employer identification number of the County to determine if the assets should be included on the books of the County. If it is determined that the accounts should not be included, the accounts should not use the County's employer identification number.

#### ***Managements Response***

Management will include this account on County records and in future audit reports.

### **Cash Payouts - Treasurer's Office**

During our documentation of cash receipt procedures in the Treasurers office, we noted that the Treasurer's office was making cash payments out of the cash drawers for witness fees. The documentation utilized as support for the cash payouts was neither pre-numbered nor had any other characteristics to determine whether the request for payment was an original document or a copy.

#### ***Recommendation***

We recommend that the Treasurer's office only make cash payouts on documents that are pre-numbered or have some other unique characteristic to insure that payment is only being made on the original document.

#### ***Managements Response***

Management has changed its procedures on acceptance of witness fee reimbursement forms to reduce the potential for duplicate or erroneous payments.